Causeway Coast & Glens Borough Council

Title of Report:	**Annual Accounts 2018/19**
Committee Report Submitted To:	**Audit Committee**
Date of Meeting:	**18 September 2019**
For Decision or For Information	**For Decision**

Linkage to Council Strategy (2019-23)	
Strategic Theme	Governance
Outcome	Budget Management
Lead Officer	Chief Finance Officer

Budgetary Considerations	
Cost of Proposal	
Included in Current Year Estimates	**YES/~~NO~~**
Capital/Revenue	
Code	
Staffing Costs	

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	~~Yes~~/No	Date:
	EQIA Required and Completed:	~~Yes~~/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	~~Yes~~/No	Date:
	RNA Required and Completed:	~~Yes/~~No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	~~Yes~~/No	Date:
	DPIA Required and Completed:	~~Yes~~/No	Date:

1.0 Purpose of Report

1.1 The purpose of this report is to present the annual accounts for Causeway Coast and Glens Borough Council for the financial year ended 31 March 2019 for approval.

2.0 Background

2.1 Councils and other public bodies are required to prepare and submit to the Department for Communities (DfC) by 30 June each year their annual accounts for the previous financial period. I am pleased to report that Council complied with this requirement. In a change procedurally from previous years these accounts have not yet been approved by Council, this would have happened before 30 June prior to both submission to the Department and the audit of the accounts. Under current regulation the approval of the accounts now occurs after completion of the audit meaning Council are approving what will eventually be published.

3.0 Detail

3.1 Attached as an appendix is a copy of the Annual Statement of Accounts for Causeway Coast and Glens Borough Council.

The main figure members will be interested in can be found in being the Movement in Reserves statement which details an in year movement in the General Fund Summary of a decrease of £2,880k giving a carrying total of £3,762k. Under regulation we are recommended to carry a minimum fund balance in the range of 5% to 7.5% of our Net Operating Expenditure (£60,818k) which translates into a recommended balance between £3,040k and £4,561k. Causeway Coast and Glens Borough Council is within the acceptable limits but cannot risk any further reductions in reserves.

Whilst the negative result is unwelcome the sources of the deficit needs to be identified and recognized to put some perspective around this. The main contributions to the deficit are set out in the table below:

		2018/19	2017/18
		£'000's	£'000's
Movement In General Fund	1a	(2,880)	(1,234)

The reasons for the current year variances are summarised as follows:

	2018/19
	£'000's
Rate Support Grant	1,975
Landfill Tax Paid	491
Rates Finalisation	327
Building Control Fees	307
Caravan Site Income	269
Landfill Tax Income	233
Capitalise Capital Project Team	111
HBE Recoupment of Salary	63
Derating Grant	47
Recycling Costs	(1,372)
Agency Staff	(1,076)
Repairs & Maintenance	(720)
Car Park Income	(531)
Vehicle Costs	(416)
Legal Expenses	(413)
Rate Support Grant	(384)
Trade Waste Income	(367)
IT Comms/Telephones	(310)
Wages & Salaries	(248)
Severance	(186)
Investment Bank Interest	(156)
Insurance	(148)
Staff Travel Costs	(72)
Fuel Stamp Scheme Run Out	(62)
Others	(15)
(Deficit) reported to Management	(2,653)
Dredging Costs	(150)
Capital Project Write offs	(56)
Landfill Mitigation Reserve Unwind	(70)
Net Increase in Earmarked Reserves	49
Current year variances from budget estimates	**(2,880)**

We have transferred £255k to other usable reserves and whilst this is a reduction in the general fund balance these funds are being set aside for future events such as elections, repairs and maintenance, etc.

Council has previously agreed that staff severance costs can be funded out of reserves the cost in this in the current year amounting to £186k.

The deficit on services was £2,653k. Within this figure Council received during the year an additional £1,975k of rates support grant as detailed in the table above which has been used to offset much of the associated overspend on expenditure and in some cases under recoupment of income.

In terms of income one area to highlight is car park Income which had at budget setting taken into account an increase in charges that subsequently was not fully implemented leading to the income in this service being short of its budget by £531k.

It should also be noted that there may be some narrative and presentational updates to be included in the accounts differing from the appendix, at the time of writing the report these had yet to be agreed with NIAO. These will be referred to verbally at the meeting.

NIAO will be in attendance at the committee meeting and will take members through their audit findings and opinion prior to approval of the accounts.

4.0 Recommendation

It is recommended that the Audit Committee recommends to Council the approval of the annual statement of accounts as presented.

Causeway Coast & Glens Borough Council

Annual Financial Statements for the year ended 31st March 2019

Table of Contents **Page No**

Narrative Report			1
Financial Performance			4
Statement of the Council's and Chief Financial Officer's Responsibilities for the Statement of Accounts			12
Annual Governance Statement			12
Significant Governance Issues			25
Certificate of the Chief Financial Officer			26
Remuneration Report For The Year Ended 31 March 2019			27
Independent Auditor's Report to the Members of the Council			31
The Movement in Reserves Statement			33
The Comprehensive Income and Expenditure Statement			34
The Balance Sheet			35
The Cashflow Statement			36
Notes to the Financial Statements			37
1	Expenditure and Funding Analysis		37
	a	Summary Adjustments	37
	b	Analysed Adjustments Current Year	38
	c	Analysed Adjustments Prior Year	38
2	a	Transfers to and from Earmarked Reserves (General Fund Appropriations) and Reconciliation to General Fund	39
	b	Detailed Summary of Unusable Reserves - Current Year and Reconciliation to Adjustments	39
	c	Detailed Summary of Unusable Reserves - Prior Year and Reconciliation to Adjustments	40
3	Income and Expenditure by Nature - Current Year		42
	a	Current Year	42
	b	Prior Year	43
4	Cost of services on continuing operations		44
	a	Miscellaneous powers to make payments	44
	b	External audit fees	44
5	Operating and Finance Leases		45
	a	Finance Leases (Council as lessor)	45
	b	Operating Lease (Council as lessor)	45
	c	Finance Leases (Council as lessee)	46
	d	Operating Lease (Council as lessee)	46
6	Employee Costs and Members Allowances		47
	a	Staff Costs	47
	b	Average Number of Employees	47
	c	Senior Employee's Remuneration	47
	d	Exit Packages	48
	e	Northern Ireland Civil Service Pension Arrangements	48
7	Other Operating Expenses		49
8	Financing and Investment Income and Expenditure		49
9	Taxation and Non-Specific Grant Income		49
10	Fixed Assets		50
	a	Current Year Cost, Depreciation and Net Book Values	50
	b	Prior Year Cost, Depreciation and Net Book Values	51
	c	Effects on Revaluation Reserve	52
	d	Impairments charged to Comprehensive Income and Expenditure Account	53
	e	Carrying amount of Fixed Assets Disposed and Profit or Loss on Disposal	54
	f	Derecognition - Other	54
	g	Heritage Assets	54
	h	Fair Value Hierarchy for Surplus Assets	54
	i	Valuation Process for Investment Property	55
	j	Intangible Assets	55
11	Debtors		55
	a	Long-Term Debtors	55
	b	Short-Term Debtors	55
	c	Ageing of trade debtors	55
12	Investments		55
13	Inventories		55
14	Borrowings		56
	a	Short-Term Borrowing	56
	b	Long-Term Borrowing	56
	c	Analysis of Borrowings by type	56
15	Capital Expenditure		56
16	Future Capital Commitments		57

Table of Contents **Page No**

17 Creditors 57
a Short-Term Creditors 57
b Long-Term Creditors 57
c Payment of invoices 57
18 Provisions 58
a Current Year Provisions 58
b Comparative Year Provisions 58
19 Financial Instruments 59
20 Retirement Benefits 60
a Participation in Northern Ireland Local Government Officers' Pension Fund 60
b Transactions relating to retirement benefits - Comprehensive Income and Expenditure 60
c Assets and liabilities in relation to retirement benefits 60
d Scheme History 61
e Basis for estimating assets and liabilities 62
f Major categories of plan assets as a percentage of total plan assets 62
g Sensitivity Analysis 63
h Northern Ireland Civil Service Pension Arrangements 63
21 Donated Assets Account 64
22 Capital grants received in advance 64
a Capital grants received in advance 64
23 Contingencies 64
24 Notes to the cash flow statement 65
a Analysis of adjustments to surplus/deficit on the provision of services 65
b Investing and Financing Activities 65
c Cash and cash equivalents 65
d Cash flows from operating activities 65
e Cash flows from investing activities 65
f Cash flows from financing activities 65
25 Usable Reserves 66
a Capital Receipts Reserve 66
26 Significant Trading Operations 66
27 Agency Services 66
28 Related Party Transactions 67
a Community Groups - payments greater than £5,000. 67
b Community Groups - payments less than £5,000 but Council representation. 68
c Group or Joint Committees where Council is a member 68
d Payment to other Councils 69
e Department for Communities (formerly known as the Department of Environment) 69
f Causeway Coast and Glens Policing and Community Safety Partnership 69
g Employee Car Loans 69
29 a Detailed Income and Expenditure Analysis Leisure and Development Current year 70
b Detailed Income and Expenditure Analysis Environmental Services Current Year 71
c Detailed Income and Expenditure Analysis Corporate Policy and Resources Current Year 72
d Detailed Income and Expenditure Analysis Planning Services and Other Current Year 73
e Detailed Income and Expenditure Analysis Leisure and Development Prior Year 74
f Detailed Income and Expenditure Analysis Environmental Services Prior Year 75
g Detailed Income and Expenditure Analysis Corporate Policy and Resources Prior Year 76
e Detailed Income and Expenditure Analysis Planning Services and Other Prior Year 77
30 Accounting Background 78
a Accounting Policies 78
b Accounting Standards that have been issued but not yet adopted 91
c Critical Judgements in Applying Accounting Policies 91
d Assumptions made about the future and other major sources of estimation uncertainty 91
Accounts Authorised for the Issue Certificate 92

Narrative Report

Introduction

The Council's financial performance for the year ended 31 March 2019 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.

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2019 (the Code) and the Department for Communities Accounts Direction, Circular DOE Accounts Direction Circular LG 12/19. 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 2018/19 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 2018/19 and are likely to impact in the future.

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 33 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. These are different from the statutory amounts required to be charged to the General Fund for Local Tax purposes. The 'Net increase /Decrease before transfers to earmarked 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 34 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 35 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 basis under regulations'.

The Cash Flow Statement

The Cash Flow Statement, as set out on page 36 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

As a result of the CIPFA led Telling the Story consultation a change to how Local Authority's report was introduced. The most significant of the changes introduced was the requirement to include an Expenditure and Funding Analysis.

Whilst this does not constitute a core financial statement, its significance is recognised by its inclusion as Note 1 to the accounts on page 37 .

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.

An Introduction to Causeway Coast and Glens

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, Airwaves Air Show, SuperCupNI (formerly the Milk Cup) and festivals such as The Auld Lammas 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.

Organisational Overview and External Environment

The Council has an annual budget of approximately £60 Million. It is structured into three strategic Directorates: Environmental Services, Leisure and Development and Corporate Services. In addition the Senior Management Team includes the Chief Finance Officer and Head Of Planning. 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.

The extensive geographic area presents a challenge to officers when delivering Council's statutory functions given the additional travelling distances necessary in the delivery of those services. This coupled with Council's policy of holding the District Rate at the same level for three years, the increasing pressure of inflation and the expected increases to interest base rates in the short to medium terms mean that Council's financial resources will continue to come under increased pressure requiring additional efficiency savings or increased revenues to be identified. The downward pressure on Central Government funding is also expected to continue, especially in significant areas such as Rates Support Grant.

Strategic Performance

The Council's Strategic Plan is backed up and supported by the Performance Improvement Plan and departmental and service area business plans. It sets out how Causeway Coast and Glens Borough Council is to consider corporate priorities for improvement, and the key actions to be taken to deliver the longer-term goals in the Community Plan and improvement agenda.

There are four priority themes for Council. Each of these priorities, alongside the main objectives are listed below:

Objective 1 - Improve Operation Efficiency

On 8 February 2018 Council agreed the following motion "That Council agree to a 0% increase in the rates, on the proviso that there would be no impact on frontline services."

The Council is therefore strongly committed to controlling the cost of services to the ratepayer. This will be the third consecutive year of a zero rate increase which in real terms equates to Council having to demonstrate £1.7 Million worth of financial efficiencies in the 2018/19 financial year.

During 2018/19 Council began an options appraisal for Leisure Management , increased income and occupancy at holiday leisure parks, secured external funding for Council led projects and continued with the implementation of the Energy Management Strategy.

Objective 2 - Increased levels of physical activity in Causeway Coast and Glens Council residents

The Council is committed to supporting the increased physical and mental wellbeing of its citizens. Council views this as a priority area which has wide reaching implications for the area as a whole.

Increased levels of physical and leisure activity has many positive consequences including happier, healthier citizens, improved community cohesion, increased social engagement and busier leisure centres which all lead to a community of people who are more resilient and better equipped to deal with the tests of life.

During 2018/19 Council continued with the Sports Development Programme increasing participation rates across identified groups, delivered a Good Relations Programme engaging 350 participants on a cross community basis with a minimum of 26 hours contact per participant, increased the number of participants using 3G sports pitches and the new Dungiven Sports Centre and delivered a well being programme.

Objective 3 - Assist to diversify the local economy

Council support for new businesses and entrepreneurs.
Council is committed to helping established businesses by enhancing the environment in which they trade.
Council schemes and programmes that ensure the maximum uptake of funding opportunities from Central Government and the EU.

During 2018/19 Council supported Creative Industries, Economusee and Neighbourhood Renewal projects, delivered an Enterprise fund and delivered a programme to encourage entrepreneurship.

Objective 4 - Improve local area sustainability

How can Council ensure that Causeway Coast and Glens:

- Is the "go to" destination of Northern Ireland with a high quality built environment and civic space
- Protects and enhances our environments and assets which will be carefully managed to generate economic and social returns without compromising their sustainability for future generations
- Is a welcoming environment for all with a sustainable fit for purpose infrastructure that enables growth.

2018/19 saw the creation of a Business Improvement District (BID) in the town of Coleraine, intriduction of a Borough wide brown bin services increasing recycling rates to in excess of 54% and delivery of affordable warmth programmes.

Governance

Governance looks at areas such as risks, opportunities, strategy , resource allocation and outlook. The Annual Governance Report included at part of this Statement of Accounts 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.

Causeway Coast and Glens Borough Council		Year ended 31 March 2019	

Financial Performance

Outturn

		2018/19	2017/18
		£'000's	£'000's
Movement In General Fund	1a	(2,880)	(1,234)

The reasons for the current year variances are summarised as follows:

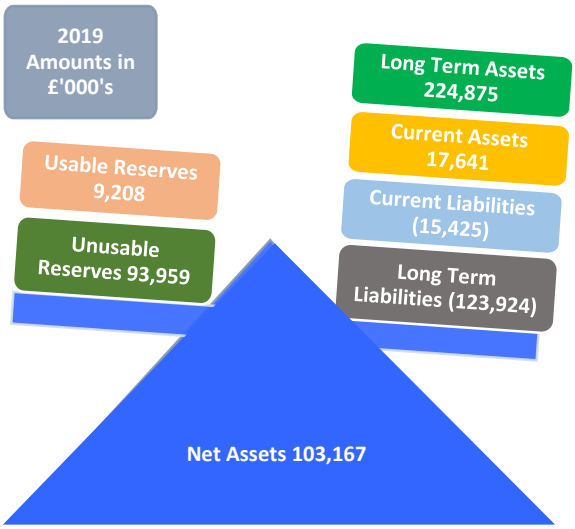
	2018/19
	£'000's
Rate Support Grant	1,975
Landfill Tax Paid	491
Rates Finalisation	327
Building Control Fees	307
Caravan Site Income	269
Landfill Tax Income	233
Capitalise Capital Project Team	111
HBE Recoupment of Salary	63
Derating Grant	47
Recycling Costs	(1,372)
Agency Staff	(1,076)
Repairs & Maintenance	(720)
Car Park Income	(531)
Vehicle Costs	(416)
Legal Expenses	(413)
Rate Support Grant	(384)
Trade Waste Income	(367)
IT Comms/Telephones	(310)
Wages & Salaries	(248)
Severance	(186)
Investment Bank Interest	(156)
Insurance	(148)
Staff Travel Costs	(72)
Fuel Stamp Scheme Run Out	(62)
Others	(15)
(Deficit) reported to Management	(2,653)
Dredging Costs	(150)
Capital Project Write offs	(56)
Landfill Mitigation Reserve Unwind	(70)
Net Increase in Earmarked Reserves	49
Current year variances from budget estimates	**(2,880)**

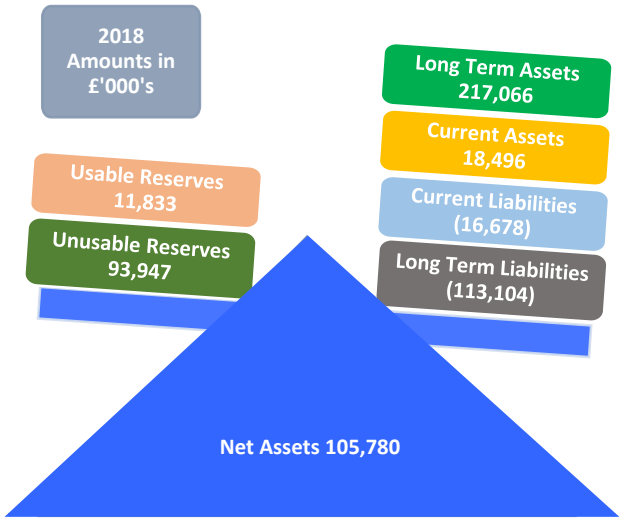
The movement in General Fund includes allocations to the following funds:

	Notes	2018/19	2017/18
		£'000's	£'000's
Repairs and Renewals Fund	2	35	38
Sinking Fund	2	304	304
Election Reserve	2	203	50
Area Planning Reserve (APR)	2	35	20
Reorganisation Reserve	2	(322)	123
	2	**255**	**535**

Financial Position

Net Assets £103,167 (2018 -£105,780).





It would appear that the council's net assets has disimproved by £2,613,000 but this is subsequent to making an extraordinary provision of £3,476,000 with regard to the "McCloud Judgement" - see Pension below.

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 £60,000 of capital grants issued to the Portstewart Regeneration and Cultural Group. In the preceding year Council had incurred net costs in association with a Public Realm Scheme in Portstewart and accordingly a transfer of £468,378 (being gross expenditure of £1,050,712 less grant received of £582,334) was made between the General Fund and the Capital Adjustment Account under the terms of "revenue expenditure funding capital under statute" (REFCUS) Notes 3 and 15 refer.

Capital Expenditure

Capital Expenditure amounted to £9,105,092 during the year - (Note 10a refers). The main items of capital expenditure are set out below.

		2018/19	2017/18
		£'000's	£'000's
Portush Public Realm Schemes		2,418	840
North Pier Portrush		2,354	125
Garvagh Forest Bike Trails		467	0
Harbours		448	650
ICT Equipment including Intangible Licences		443	188
Brown Bin Recycling Project		425	358
Magilligan Community Centre		358	0
Plant and Equipment		332	266
Sport &Well Being Projects		246	0
Peace IV Capital Projects		223	0
Sundry		215	478
Various Building		200	135
Other Vehicles		186	166
Public Conveniences		157	0
Atlantic Link Enterprise Campus		128	937
Emergency Generators		126	0
Tourism Projects		104	0
Landfill Site Lands		97	105
Newmills Road Depot		60	112
LED Lighting		52	110
Caravan Park Upgrades		29	19
Infrastructure Projects		27	0
Dungiven Sports and Community Project		11	105
Refuse Vehicles		0	603
Riada Playing Fields		0	237
Festive Lighting		0	230
Car Parks		0	156
The Crescent Portstewart		0	126
Coleraine Marina		0	125
Portrush Town Hall		0	104,586
	10a / 10b	9,106	6,176

Causeway Coast and Glens Borough Council			Year ended 31 March 2019
Sources of Finance for Capital Expenditure			
Sources of Finance for Capital Expenditure		**2018/19**	**2017/18**
		£'000's	**£'000's**
New Loans	14a / 24f	9,274	0
Capital Grants	9 / 22a	24	(3,039)
Total Sources of Financing		**9,298**	**(3,039)**

Borrowings

Council drew down new loan finance amounting to £9,274,000. The Council's total borrowing at the year end was £71,188,354.

The Council redeemed Commercial Loans worth £2,458,250 in 2018/19.

Capital Expenditure Funded by New Loans	£'000's
Solar PV Phase 1	337
Letterloan & Craigahulliar Works	180
Castlerock/Whiterocks/Portballintrae EI Scheme	97
Westbay EI Scheme	914
Kubota Tractor M9960 Front Loader LA1354	32
Mercedes Benz Econic 2630L	189
Hook Loader	104
Wacker Neuson Mini Excavator & 3 Buckets	20
Agric & Commercial Vehicles x 20	341
Benone Activity Centre and Tourist Complex	34
ICT Upgrade Phase II incl Carrick Dhu	223
Roe Valley Leisure Centre Health Suite	280
Portstewart EI Scheme REFCUS incl 60k Street F	448
Enterprise Zone - completing 2017-2018	3,000
Dungiven Sports Centre	522
Ballymoney Toilet Blocks	40
Bradley Site Dungiven Castle (Land)	241
Ballymoney Play Areas	234
Loughanhill Depot Upgrade	452
Diversity Park, Flowerfield	137
Cloughmills Old Mill incl Play Area Plant	93
Drumsurn Outdoor Gym	30
Portrush Harbour	269
Festive Lighting 2016-17	94
Various Plant & Equipment	508
Coleraine Leisure Centre Flumes	35
Riada 3G Pitch	420
	9,274

The Council's net debt position is as follows:

Net Debt		2018/19	2017/18
		£'000's	**£'000's**
Short Term Borrowing	14a	5,020	6,907
Long Term Borrowing	14b	66,168	62,182
Total Borrowings	14b	71,188	69,089
Cash And Cash Equivalents	24c	11,576	11,282
Total Investments and Cash Equivalents		11,576	11,282
Total Net Debt		**59,612**	**57,807**

Provisions

During the year, landfill provision showed an increase of £705,986. Of this, £353,721 was due to revisions to closure plans and capacity remaining, as advised by the Council's landfill engineering specialists. The remainder £352,265 was the result of changes to the discount rates the Council is required to apply to long term provisions. (Note 18a 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 £190,243 (2017-£216,900) 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 £3,648,883 (2018-£3,194,990) in regular payments to this scheme together with payments of £294,062 (2018- £408,231) in respect of early year retirement payments.

The NILGOSC pension liability increased by £3,416,000 from £36,498,000 to £39,914,000 (Note 20b to the accounts refers).The major uplift in this provision was caused by the "McCloud Judgement" which pronounced that some future pensioners had been adversely affected by transitional arrangements introduced by Government in 2015. As a result of providing for this judgement past service costs were increased by £3,476,000 in respect of Causeway Coast and Glens Borough Council's share of the NILGOS pension scheme.

Significant changes in Accounting Policies

There have been no changes in accounting policies (as described from page 78 and onwards) from the previous year.

The diagram below depicts the Council's Committee Structure and the departments contained therein. The structure is expressed at the top level in the Comprehensive Income and Expenditure Statement (CIES) and at the department level in the Detailed Income and Expenditure Analysis (Note 29 refers).

Council

- Elected Members
- Chief Executive Mr D Jackson

Leisure & Development

- Director of Leisure & Development (Mr R Baker)
  - Community & Culture
  - Prosperity & Place
  - Sport & Well-Being
  - Tourism & Recreation
  - Funding Unit
  - Strategic Projects

Environmental Services

- Director of Environmental Services (Mr A McPeake)
  - Estates
  - Health & Built Environment
  - Infrastructure
  - Operations

Corporate Policy & Resources

- Director of Corporate Services (Mrs M Quinn)
  - Members
  - Registrar
  - Corporate Services
- Performance *
- Financial Services *
- Legal Services *

Planning

- Head of Service of Planning (Mrs D Dickson)

* 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.

At year end additional adjustments are made to the Council's records in respect of depreciation, impairment, REFCUS, pension adjustments and accumulated absences. Given the nature of these adjustments (ie not known until 31st March each year) they are not reported via monthly management accounts and are accordingly separately disclosed as adjustments in Notes 1, 3, 29d and 29h.

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.

Given the applied balance, the projected general fund balance for 2019/20 would be £1,381,542. Officers will be bringing recommendations to Council in order to reduce the indicated applied balance.

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.

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 26th June 2019.

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 is required to prepare an Annual Governance Statement which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy/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

The 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 2019 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 Communnity Planning Partnership at their quarterly meetings.

In November 2018 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 was 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, commencing with a workshop in September 2019.

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. In June 2018 the Council published its LDP: Preferred Options Paper (POP) for public comment. Planning Department is now analysing the representations received in the drafting of strategic policies to be published in the Draft Plan Strategy. This will also include Member workshops, community consultation workshops and public consultation.

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 a workshop was arranged with Elected Members to review the Council Strategy 2015-2019, Annual review for 2017/18, and prepare for the Corporate Plan 2019-2023. This was held on 12th May 2018. A Performance dashboard style approach was presented to Members to review Corporate Performance against Strategic themes identified in the Council Strategy. Further to the workshop, Council agreed the Performance dashboard as a method of assessing Corporate Performance and to have developed associated performance metrics and to align these with the objectives in the Community Plan – A Sustainable Accessible Environment, A Thriving Economy and A Healthy Safe Community.

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 the Council's website

A number of Citizen and Stakeholder engagements have been carried out throughout the year, including Community Planning Consultation, Performance Improvement Plan, Equality Projects and on various initiatives within the Leisure and Development and Environmental Services Directive. A variety of methods were used to maximize engagement.

As part of the Corporate Performance Improvement Plan for 2019/20 Council has 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

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 was delivered to all members during 2014/15, and continues to be delivered to new members co-opted after May 2014, 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 Management Team (SMT), 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.

During the 2017/18 year, guidelines and a flowchart was developed and agreed to assist with effective Policy Development. This flowchart was revised in October 2018 in an effort to simplify the process.

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. In addition to the full Council Meeting there are a further four committees of Council and the meeting schedule is as follows:

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

Scrutiny is provided by the Audit Committee, Internal Audit (co-sourcing arrangement) and the Local Government Auditor.

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 twice per annum during 2018/19.
A new body of councillors were elected on the 2nd May 2019.

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.

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 their 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 Councils 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. Council approved additions and revisions to its Standing Orders three times in 2018/19. 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 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 Council is currently finalising a Scheme of Delegation, through the Governance Working Group, which will provide the framework and guidance for the delegation of powers to Committees of Council and to senior officers within the Council. The Scheme of Delegation will be included as part of the Constitution when finalised and adopted by Council.

The Scheme of Delegation for Development Management, Development Plan, Enforcement and Other Planning Functions took effect from 7th November 2016 having been approved by the Department for Infrastructure on 28th October 2016. During the 2017/18 financial year the Planning Protocol was updated and took effect on 8th November 2017. These was reviewed again over the 2018/19 business year and a revised Scheme of Delegation and Protocol for the Operation of the Planning Department was implemented on 28 January 2019.

Financial regulations are in place which are reviewed periodically, e.g. Purchasing Policies and Procedures, which detail policies and procedures in relation to Purchasing and Procurement including expenditure limits and authorisation signatures. A revised and updated procurement policy was approved by Council in March 2019.

Council has also adopted 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 the Strategic Leadership Team and presented to the Audit Committee quarterly. An 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. 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. Annual Treasury Management Strategy statements setting out the expected treasury management operations for the year were also approved by Council. The Treasury Management Strategy and Prudential Indicators for 2019/20 were prepared and approved by Causeway Coast and Glens Borough Council in February 2019 as part of the Estimates process.

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 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 three occasions between April 2018 and March 2019, 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 Stephens through an Internal Audit co-sourcing arrangement. This service was procured during 2015-16.

During the 2018-19 year internal audits were carried out in line with the internal audit plan. 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 Council had a shared legal service with Derry City and Strabane District Council based on a Service Level Agreement (SLA) agreed by Council in February 2015. A review of the Legal Services was carried out during the year and two solicitors transferred to Causeway Coast and Glens Borough Council in December 2018.

The Council, under this arrangement has in-house day to day legal support and importantly access to the hub of legal advice from the wider pool of solicitors in Derry City and Strabane District Council.

There still remains the requirement for specialist legal advice, however, in the shared service arrangement, there may be opportunities to share costs given that there will be circumstances when both Councils will require the same 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 Stephens 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 Clerk and Chief Executive is also the Council's Chief Financial Officer (CFO), as required by Section 1, of the Local Government Finance Act (Northern Ireland) 2011. The CFO 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 five 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, Bribe 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.

During the year ended March 2019, three notifications of Whistleblowing Incidents were received by Council.

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.

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 (25%), Mandatory Training (22.5%), Leadership & Management Development (20%), Team Development & Core Skills (10%), Further Education (10%) and Other (7.5%).

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 Citzens 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 675 Requests for Access to Information during 2018/19.

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Senior Managers within the Council who have responsibility for the development and maintenance of the governance environment. The Internal Audit's Annual Report, comments made by the external auditors and the Audit Committee which includes elected member representative of the political membership of Council and an Independent Member, are also considered. The Internal Auditor carried out an annual programme of work in 2018/19 based upon the Annual Plan as agreed by Council.

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.

During the year the Audit Committee reviewed Corporate Governance arrangements, Internal and External Audit Reports, and draft policies and procedures of internal control. The minutes of the Group are brought to full council for approval.

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

- **The Members** - a committee structure was in place within Causeway Coast and Glens Borough Council during 2018/19
- **The Senior Officers** – 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.
- **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** – During 2018/19 a number of audits were carried out in line with the agreed Internal Audit Plan. All Internal Audit reports and recommendations are agreed with Senior Management and presented to Audit Committee. A progress report is presented to Audit Committee on a quarterly basis to monitor and review implementation of the recommendations.

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".

Significant Governance Issues

Causeway Coast and Glens Borough Council is fully committed to the principles of corporate governance. The strategic leadership team (SLT) review the Corporate Risk Register and report to the Audit Committee on a quarterly basis, alongside a comprehensive programme of Internal Audit.

The Annual Internal Audit Report and Annual Assurance Report for 2018/19 was presented to Audit Committee in June 2019.

Based on audit work undertaken by Internal Audit during 2018/19, a satisfactory level of level of overall assurance was achieved – Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of system objectives.

In total, 28 areas across the Council were subject to Internal Audit during the year, with 27 receiving a satisfactory level of assurance, and 1 receiving Limited Assurance. The recommendations contained within all of the Internal Audit reports have been accepted by Management and will be implemented during the 2019/2020 year, with a quarterly progress report presented to Audit Committee.

Significant Governance Issues for the Year-End 2019

Governance risk issues for 2019 were collated through the review of Corporate Risk Register, consideration of events/issues raised at both SLT meetings and Council.

The most significant issues for the Council are in relation to:

1 Financial Challenges, in terms of external funding impacts on rates, and funding pressures which may result in overspend or reduction in services. Management Accounts also in terms of timescales, accuracy, detail and narrative.

2 Risks to Council's ICT systems, in terms of viruses and hacking.

3 Resources associated with delivering "One-Off" projects, creates a risk that the additional workload on existing resources results in a negative impact on service delivery.

4 Risk that non-compliance in terms of Information Governance and General Data Protection Regulations has significant consequences in terms of fines and reputation for Council.

5 Risk that full potential of Council is not realised though its Assets.

Council proposes to enhance governance arrangements during the coming year, 2019/2020, and continue to strive towards compliance with the International Framework – Good Governance in the Public Sector (CIPFA/IFAC 2014).
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.

This will be demonstrated and supported by Policies, Procedures and Systems that determine, control and demonstrate how Council manages its affairs, and a Service review of the current Audit, Governance and Risk Management method of delivery.

Council will used this model to assess systems, process and documentation to demonstrate compliance and where gaps are identified, plans will be put in place to address.

Signed

Clerk and Chief Executive Date : 26th June 2019
Causeway Coast and Glens Borough Council

Signed

Chair of the Audit Committee Date : 26th June 2019
Causeway Coast and Glens Borough Council

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 2019 on pages 33 to 91 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 78 to 92.

(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 2019.

David Jackson
Chief Financial Officer

Date : 26th June 2019

Council Approval of Statement of Accounts

These accounts were approved by resolution of the Council Audit Committee on .

John McAuley
Chairperson

Date : 26th June 2019

Remuneration Report For The Year Ended 31st March 2019

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 2018 were issued by the Department for Communities on 31 July 2018 (Circular LG 12/2018). Details of the allowances paid to individual councillors are published on council websites.

Following local elections on 22 May 2014, 462 councillors were elected to the 11 new councils for a four year term. Causeway Coast and Glens Borough Council had 40 councillors in 2018/19.

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/Senior Management 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 2018/19, 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 (audited information)

	2018/19		2017/18	
Allowance Type	Total Allowances	Councillor	Total Allowances	Councillor
	£	Nos	£	Nos
Basic Allowance	589,765	40	581,685	40
Special Responsibility Allowances	28,804	19	27,150	19
Mayor's Allowance	12,000	1	12,217	1
Deputy Mayor's Allowance	5,000	1	5,217	1
Dependents' carers allowance	605	1	241	1
Mileage	45,125	26	47,700	27
Public Transport and Other Travel Incidentals	1,590	11	5,322	12
Subsistence (including accomodation)	3,581	10	3,537	9
Courses/ Conferences Visits (registration & joining fees)	9,064	0	0	0
Total Allowances	**695,534**		**683,069**	

Details of the allowances paid to individual councillors in 2019 are published on the council website at:
https://www.causewaycoastandglens.gov.uk/uploads/policies/Councillors_Allowances_2018_2019.pdf

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 2018/19:

Table 2: Remuneration of Senior Employees (audited information)

				2018/19				2017/18
Officers	Salary	Bonus Payments	Benefits in Kind	Total	Salary	Bonus Payments	Benefits in Kind	Total
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Chief Executive *Mr D Jackson*	115 to 120	0	0	115 to 120	110 to 115	0	0	110 to 115
Director of Corporate Services *Mrs M Quinn*	85 to 90	0	0	85 to 90	85 to 90	0	0	85 to 90
Director of Leisure and Development *Mr R Baker*	80 to 85	0	0	80 to 85	80 to 85	0	0	80 to 85
Director of Environmental Services *Mr A McPeake*	80 to 85	0	0	80 to 85	80 to 85	0	0	80 to 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.

The banded remuneration of the highest paid member of the Strategic Leadership Team in the financial year 2018/19 was £116,000 to £120,000. This was 4.91 times the median remuneration of the workforce, which was £23,772.

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)

	2018/19	2018/19	2017/18	2017/18
	£	Ratio	£	Ratio
Median Total Remuneration	23,772	4.91	21,232	5.23

In 2019, and 2018, 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 2018/19.

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 2018/19.

Exit Packages for staff

The number of exit packages provided to all staff by the Council during 2018/19 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 (audited information)

	2018/19				2017/18			
Severance Package Cost Band	Compulsory Redundancies	Other departures agreed	Total Exit Packages	Total Cost of Packages	Compulsory Redundancies	Other departures agreed	Total Exit Packages	Total Cost of Packages
	No	No	No	£	No	No	No	£
£0 to £20,000	0	2	2	1,586	0	3	3	8,683
£20,001 to £40,000	0	1	1	21,279	0	0	0	0
£60,001 to £80,000	0	0	0	0	0	1	1	60,024
£80,001 to £100,000	0	0	0	0	0	0	0	0
£100,001 to £150,000	0	0	0	0	0	2	2	279,844
£150,001 to £200,000	0	1	1	186,076	0	0	0	0
Totals	0	4	4	208,941	0	6	6	348,551

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 actual rate of pay.

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 2018, were as follows:

Table 5: Employee Contribution Rates

Band	Salary Range	Employee Contributon Rate
	£	%
1	£0 - £14,100	5.50%
2	£14,101 - £21,300	5.80%
3	£21,301 - £35,600	6.50%
4	£35,601 - £43,000	6.80%
5	£43,000 - £85,000	8.50%
6	More than £85,000	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 2016 was carried out in 2016/17 and set the employer contribution rates for the 3 years commencing 1 April 2017 as follows:

Table 6: Employer Contribution Rates

Year	Employer Contributon Rate
	%
1 April 2017 - 31 March 2018	20.00%
1 April 2018 - 31 March 2019	20.00%
1 April 2019 - 31 March 2020	20.00%

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 was £101,541 (2018- £91,454).

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 (audited information)

Officers	Accrued Pension at Pension age as at 31/03/2019 and related lump sum	Real increase in pension and related lump sum at pension age	CETV 31/03/2019	CETV 31/03/2018	Real Increase in CETV
	£'000's	£'000's	£'000's	£'000's	£'000's
Chief Executive	20 to 25	0 to 2.5	259	194	23
Mr D Jackson	0	0 to 2.5			
Director of Corporate Services	25 to 30	0 to 2.5	376	297	23
Mrs M Quinn	30 to 35	0 to 2.5			
Director of Leisure & Development	30 to 35	0 to 2.5	403	319	25
Mr R Baker	0	0 to 2.5			
Director of Environmental Services	25 to 30	0 to 2.5	347	271	22
Mr A McPeake	35 to 40	0 to 2.5			

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 : 26th June 2019

Independent Auditor's Report to the Members of the Causeway Coast and Glens Borough Council

I have audited the financial statements of the Causeway Coast and Glens Borough Council for the year ended 31st March 2019 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 related notes. The 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.

This report is made solely to the Members of the in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities issued by the Chief Local Government Auditor.

Respective responsibilities of the Chief Financial Officer and the independent auditor

As explained more fully in the Statement of the 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. My responsibility is to audit the statement of accounts in accordance with the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice issued by the Chief Local Government Auditor. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the statement of accounts

An audit involves obtaining 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. This includes an assessment of: whether the accounting policies are appropriate to the Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by ; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Statement of Accounts to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion

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 2018-19, of the financial position of the Causeway Coast and Glens Borough Council as at 31 March 2019 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.

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 Narrative Report for the financial year ended 31 March 2018 is consistent with the financial

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.

I am required 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 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

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, in my opinion:

- the Annual Governance Statement
  - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019,
  - does not comply with proper practices specified by the Department for Communities,
  - 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 is not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit.
- 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 the ,in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

Pamela McCreedy
Local Government Auditor
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU
Date:

Core Financial Statements

The Movement in Reserves Statement (MIRS)

		General Fund Summary £'000's	Other Fund Balances & Reserves £'000's	Capital Receipts Reserve £'000's	Total Usable Reserves £'000's	Total Unusable Reserves £'000's	Total Council Reserves £'000's
At 31 March 2017		**7,876**	**4,656**	**0**	**12,532**	**67,553**	**80,085**
Movement in reserves during the year							
(Deficit) on the provision of services	CIES	(6,232)	0	0	(6,232)	0	(6,232)
Other Comprehensive Income and Expenditure	CIES	0	0	0	0	31,927	31,927
Total Comprehensive Income and Expenditure		(6,232)	0	0	(6,232)	31,927	25,695
Adjustments between accounting basis & funding under regulations	2c / 25	5,533	0	35	5,568	(5,568)	0
Net increase before transfers to Statutory and Other Reserves		(699)	0	35	(664)	26,359	25,695
Transfers (to) / from Statutory and Other Reserves	2 / 25	(535)	535	(35)	(35)	35	0
Increase / (decrease) in year	1a / 2	(1,234)	535	0	(699)	26,394	25,695
At 31 March 2018	**BS**	**6,642**	**5,191**	**0**	**11,833**	**93,947**	**105,780**
(Deficit) on the provision of services	CIES	(12,144)	0	0	(12,144)	0	(12,144)
Other Comprehensive Income and Expenditure	CIES	0	0	0	0	9,531	9,531
Total Comprehensive Income and Expenditure		(12,144)	0	0	(12,144)	9,531	(2,613)
Adjustments between accounting basis & funding under regulations	2b / 25	9,519	0	19	9,538	(9,538)	0
Net decrease before transfers to Statutory and Other Reserves		(2,625)	0	19	(2,606)	(7)	(2,613)
Transfers (to) / from Statutory and Other Reserves	2 / 25	(255)	255	(19)	(19)	19	0
Increase / (decrease) in year	1a / 2	(2,880)	255	0	(2,625)	12	(2,613)
At 31 March 2019	**BS**	**3,762**	**5,446**	**0**	**9,208**	**93,959**	**103,167**

Core Financial Statements

The Comprehensive Income and Expenditure Statement (CIES)

		2018/19			2017/18 as restated		
Service Expenditure	**Notes**	**Gross Expenditure £'000's**	**Gross Income £'000's**	**Net Expenditure £'000's**	**Gross Expenditure £'000's**	**Gross Income £'000's**	**Net Expenditure £'000's**
Leisure and Development	3a/3b	25,020	10,055	14,965	26,396	10,720	15,676
Environmental Services	3a/3b	31,963	4,671	27,292	33,388	6,159	27,229
Corporate Policy and Resources	3a/3b	13,954	427	13,527	9,303	929	8,374
Planning	3a/3b	2,078	1,468	610	1,922	1,392	530
Cost of Services on Continuing Operations	**3a/3b & 30d**	**73,015**	**16,621**	**56,394**	**71,009**	**19,200**	**51,809**
Other Operating Expenditure	7	0	6	(6)	531	0	531
Financing and Investment Income and Expenditure	8	5,055	625	4,430	3,990	698	3,292
Net Operating Expenditure		**78,070**	**17,252**	**60,818**	**75,530**	**19,898**	**55,632**
Taxation and Non-Specific Grant Income	9	0	48,674	(48,674)	0	49,400	(49,400)
Deficit on the Provision of Services		**78,070**	**65,926**	**(12,144)**	**75,530**	**69,298**	**(6,232)**
Surplus/(Deficit) on revaluation of non-current assets	10c			6,113			32,227
Remeasurements of the Net Defined Benefit Liability	20b			3,418			(300)
Other Comprehensive Income and Expenditure				**9,531**			**31,927**
Total Comprehensive Income and Expenditure				**(2,613)**			**25,695**

Core Financial Statements

The Balance Sheet (BS)

	Note	2018/19	2017/18
		£'000's	£'000's
Property, Plant and Equipment	10a / 10b	213,462	207,767
Investment Property	10a / 10b	10,253	8,103
Intangibles	10a / 10b	34	21
Long Term Debtors	11a	1,126	1,175
LONG TERM ASSETS		**224,875**	**217,066**
Assets Held for Sale	10h	0	910
Inventories	13	178	135
Short Term Debtors	11b	5,887	6,169
Cash and Cash Equivalents	24c	11,576	11,282
CURRENT ASSETS		**17,641**	**18,496**
Short Term Borrowing	14a	5,020	6,907
Short Term Creditors	17a	10,405	9,571
Short Term Provisions	18a/b	0	200
CURRENT LIABILITIES		**15,425**	**16,678**
Long Term Provisions	18a/b	15,021	14,315
Long Term Borrowing	14b	66,168	62,182
Other Long Term Liabilities	20c	39,914	36,498
Donated Assets Account	21	109	109
Capital Grants Receipts in Advance	22	2,712	0
LONG TERM LIABILITIES		**123,924**	**113,104**
NET ASSETS		**103,167**	**105,780**
Capital Receipts Reserve	25	0	0
General Fund	1a	3,762	6,642
Earmarked Reserves	2a	5,446	5,191
USABLE RESERVES		**9,208**	**11,833**
Capital Adjustment Account	2b / 2c	61,868	62,543
Revaluation Reserve	2b / 2c	70,365	65,299
Investment Property Revaluation Reserve	2b / 2c	6,144	7,149
Pension Reserve	2b / 2c	(39,914)	(36,498)
Accumulated Absences Account	2b / 2c	(448)	(420)
Provisions Discount Rate Reserve	2b / 2c	(965)	(1,158)
Landfill Regulations Reserve	2b / 2c	(3,091)	(2,968)
UNUSABLE RESERVES		**93,959**	**93,947**
NET WORTH		**103,167**	**105,780**

Core Financial Statements

The Cashflow Statement (CF)

	Note	2018/19	2017/18
		£'000's	£'000's
Deficit on the Provision of Services	CIES	(12,144)	(6,232)
Net adjustment for non-cash movements	24a	16,495	15,606
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	24b	5	(3,074)
Net cash flows from operating activities		**4,356**	**6,300**
Cash flows from Investing Activities	24e	(6,161)	(5,881)
Net Cash flows from Financing Activities	24f	2,099	(4,762)
Net increase or decrease in cash and cash equivalents		**294**	**(4,343)**
Cash and cash equivalents at the beginning of the reporting period	24c	11,282	15,624
Cash and cash equivalents at the end of the reporting period	**24c**	**11,576**	**11,282**

1 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

1 a Total Adjustments

	2018/19			2017/18 as restated		
Services	Net Expenditure Chargeable to the General Fund- Note 29 £'000's	Total Adjustment between the Funding and accounting Basis - Note 1b £'000's	Net Expenditure in the CIES £'000's	Net Expenditure Chargeable to the General Fund- Note 29 £'000's	Total Adjustment between the Funding and accounting Basis - Note 1c £'000's	Net Expenditure in the CIES £'000's
Leisure and Development	10,116	4,849	14,965	9,905	5,771	15,676
Environmental Services	23,439	3,853	27,292	21,889	5,340	27,229
Corporate Policy and Resources	8,668	4,859	13,527	7,748	626	8,374
Planning	612	(2)	610	484	46	530
Net Cost of Services	**42,835**	**13,559**	**56,394**	**40,026**	**11,783**	**51,809**
Other Operating Expenditure	0	(6)	(6)	0	531	531
Statutory Provision for Capital Investment	5,892	(5,892)	0	6,025	(6,025)	0
Financing and Investment Income and Expenditure	2,525	1,905	4,430	2,521	771	3,292
Taxation and Non-Specific Grant Income	(48,698)	24	(48,674)	(46,361)	(3,039)	(49,400)
Other Income and Expenditure	**(40,281)**	**(3,969)**	**(44,250)**	**(37,815)**	**(7,762)**	**(45,577)**
Deficit on the Provision of Services	**2,554**	**9,590**	**12,144**	**2,211**	**4,021**	**6,232**

Reconciliation of General Fund Reserve and Net Expenditure Charged to it

		2018/19	2017/18
		£'000's	£'000's
Opening General Fund Balance		6,642	7,876
(Deficit) on the Provision of Services Chargeable to the General Fund	1a	(2,554)	(2,211)
Tranfers (to) / from Unusable Reserves		(71)	1,512
Net Decrease before transfers to Statutory and Other Reserves	**MIRS**	**(2,625)**	**(699)**
T/fers (to) / from Usable Reserves	2	(255)	(535)
Increase / (decrease) in year	**2 / MIRS**	**(2,880)**	**(1,234)**
Closing General Fund Balance	**MIRS**	**3,762**	**6,642**

Reconciliation of Unusable Reserves and Net Expenditure Charged to them

		2018/19	2017/18
		£'000's	£'000's
Opening Unusable Reserves		93,947	67,553
(Deficit) on the Provision of Services Chargeable to Unusable Reserves	1a	(9,590)	(4,021)
T/fers (to) / from Landfill Regulation Reserve	2b / 2c	(122)	(354)
T/fers (to) / from Provision for Discount Rate Reserve	2b / 2c	193	(1,158)
Transfers to / (from) Unusable Reserves		**71**	**(1,512)**
Adjustments between accounting basis and funding under regulations	**MIRS**	**(9,519)**	**(5,533)**
Other Comprehensive Income	CIES	9,531	31,927
Increase / (decrease) in year	**MIRS**	**12**	**26,394**
Closing Unusable Reserve Balances	**MIRS**	**93,959**	**93,947**

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.

1 b Adjustments between the Funding and Accounting Basis by type - 2018/19

Services		Adjust for capital purposes £'000's	Adjust for pension purposes £'000's	Adjust for Accum Absences purposes £'000's	2018/19 Total Adjustment between the Funding and accounting Basis £'000's
Leisure and Development	3a	4,010	826	13	4,849
Environmental Services	3a	2,736	1,110	7	3,853
Corporate Policy and Resources	3a	851	3,998	10	4,859
Planning	3a	0	0	(2)	(2)
Net Cost of Services	**3a**	**7,597**	**5,934**	**28**	**13,559**
Other Operating Expenditure	7	(6)	0	0	(6)
Statutory Provision for Capital Investment	15	(5,892)	0	0	(5,892)
Financing and Investment Income and Expenditure	8	1,005	900	0	1,905
Taxation and Non-Specific Grant Income	9	24	0	0	24
Other Income and Expenditure		**(4,869)**	**900**	**0**	**(3,969)**
(Surplus) / Deficit on the Provision of Services		**2,728**	**6,834**	**28**	**9,590**

1 c Adjustments between the Funding and Accounting Basis by type - 2017/18

Services		Adjust for capital purposes £'000's	Adjust for pension purposes £'000's	Adjust for Accum Absences purposes £'000's	2017/18 Adjustment between the Funding and accounting Basis £'000's
Leisure and Development	3b	5,026	786	(41)	5,771
Environmental Services	3b	4,412	955	(27)	5,340
Corporate Policy and Resources	3b	238	402	(14)	626
Planning	3b	0	45	1	46
Net Cost of Services	**3b**	**9,676**	**2,188**	**(81)**	**11,783**
Other Operating Expenditure	7	531	0	0	531
Statutory Provision for Capital Investment	15	(6,025)	0	0	(6,025)
Financing and Investment Income and Expenditure	8	(43)	814	0	771
Taxation and Non-Specific Grant Income	9	(3,039)	0	0	(3,039)
Other Income and Expenditure		**(8,576)**	**814**	**0**	**(7,762)**
(Surplus) / Deficit on the Provision of Services		**1,100**	**3,002**	**(81)**	**4,021**

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 3 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 7 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 8 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 9 refers.

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

	01 April 2017	Transfers In	Transfers Out	31 March 2018	Tranfers In	Transfers Out	31 March 2019
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Repairs and Renewals Fund	670	240	202	708	240	205	743
Sinking Fund	3,238	304	0	3,542	304	0	3,846
Election Reserve	100	50	0	150	203	0	353
Area Planning Reserve (APR)	40	20	0	60	35	0	95
Reorganisation Reserve	608	260	137	731	76	398	409
Total Earmarked Reserves	**4,656**	**874**	**339**	**5,191**	**858**	**603**	**5,446**
Net Transfer (From) / To General Fund				**(535)**			**(255)**

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

		2018/19	2017/18
		£'000's	£'000's
Adjustments between accounting basis and funding basis under regulations	MIRS/26i	9,519	5,533
Net Transfer (From) / To General Fund	2	(255)	(535)
Deficit on the provision of services	CIES	(12,144)	(6,232)
Movement on General Fund	**1a**	**(2,880)**	**(1,234)**

2 b Detailed Summary of Unusable Reserves - Current Year

	Capital Adjustment Account	Revaluation Reserve	Investment Property Revaluation Reserve	Pension Reserve	Accumulated Absences Account	Provisions Discount Rate Reserve	Landfill Regulations Reserve	Totals
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
At 1 April 2018	62,543	65,299	7,149	(36,498)	(420)	(1,158)	(2,968)	93,947
Capital Adjustments	(2,727)	0	0	0	0	0	0	(2,727)
Pension Adjustments	0	0	0	(6,834)	0	0	0	(6,834)
Accumulated Absences Adjustments	0	0	0	0	(28)	0	0	(28)
Transfers to Usable	0	0	0	0	0	193	(123)	70
Adjust between accounting basis & funding under regulations	**(2,727)**	**0**	**0**	**(6,834)**	**(28)**	**193**	**(123)**	**(9,519)**
Other Comprehensive Income / Expenditure	0	6,113	0	3,418	0	0	0	9,531
Asset reclassification transfers	0	0	0	0	0	0	0	0
Transfers between Unusable Reserves	2,052	(1,047)	(1,005)	0	0	0	0	0
At 31 March 2019	**61,868**	**70,365**	**6,144**	**(39,914)**	**(448)**	**(965)**	**(3,091)**	**93,959**

2 c Detailed Summary of Unusable Reserves - Prior Year

	Capital Adjustment Account	Revaluation Reserve	Investment Property Revaluation Reserve	Pension Reserve	Accumulated Absences Account	Provisions Discount Rate Reserve	Landfill Regulations Reserve	Totals
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
At 1 April 2017	63,257	40,607	0	(33,196)	(501)	0	(2,614)	67,553
Asset reclassification transfers	(865)	(6,135)	7,000	0	0	0	0	0
At 1 April 2017 as restated	**62,392**	**34,472**	**7,000**	**(33,196)**	**(501)**	**0**	**(2,614)**	**67,553**
Capital Adjustments	(1,100)	0	0	0	0	0	0	(1,100)
Pension Adjustments	0	0	0	(3,002)	0	0	0	(3,002)
Accumulated Absences Adjustments	0	0	0	0	81	0	0	81
Transfer to Usable	0	0	0	0	0	(1,158)	(354)	(1,512)
Adjust between accounting basis & funding under regulations	**(1,100)**	**0**	**0**	**(3,002)**	**81**	**(1,158)**	**(354)**	**(5,533)**
Other Comprehensive Income / Expenditure	0	32,227	0	(300)	0	0	0	31,927
Asset reclassification transfers	0	(106)	106	0	0	0	0	0
Transfers between Unusable Reserves	1,251	(1,294)	43	0	0	0	0	0
At 31 March 2018	**62,543**	**65,299**	**7,149**	**(36,498)**	**(420)**	**(1,158)**	**(2,968)**	**93,947**

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.

In the prior year Council has ascertained that a combined adjustment of £6,135,453 between the Capital Adjustment Account, Revaluation Reserve and the creation of an Investment Property Revaluation Reserve would allow Council to monitor the relationship between future non-current asset carrying costs, historic values and the Revaluation Reserve as well as separately recognising cumulative gains or losses on Investment Properties. Accordingly this adjustment has been made in year as described.

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 8 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 20

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 Crosstagherty.

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 5 years at a rate of £192,971 annually as outlined in Note 2b 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.

3 a Current Year Income and Expenditure by Nature

	Leisure and Development - Note 29a	Environmental Services - Note 29b	Corporate Policy and Resources -Note 29c	Planning - Note 29d	2018/19 Total
Service Expenditure	**£'000's**	**£'000's**	**£'000's**	**£'000's**	**£'000's**
Our People	10,825	6,293	4,806	1,903	23,827
Our Councillors	20	0	903	5	928
Our Premises	2,775	1,247	706	0	4,728
Our Vehicles	326	822	118	25	1,291
Our Suppliers	4,889	664	1,317	86	6,956
Third Party Payments	10	195	114	0	319
Support Services	421	199	945	61	1,626
Contributions to Provisions	0	0	186	0	186
Total Service Expenditure before Annual Adjustments	**19,266**	**9,420**	**9,095**	**2,080**	**39,861**
Service Expenditure Adjustments	**£'000's**	**£'000's**	**£'000's**	**£'000's**	**£'000's**
Depreciation	4,257	2,731	710	0	7,698
Impairment	261	55	7	0	323
REFCUS	397	0	134	0	531
Total Capital Expenditure Adjustments	**4,915**	**2,786**	**851**	**0**	**8,552**
Pension Adjustments	826	1,110	3,998	0	5,934
Accumulated Absences	13	7	10	(2)	28
Pension and Accumulated Absences Adjustments	**839**	**1,117**	**4,008**	**(2)**	**5,962**
Total Service Expenditure after Annual Adjustments	**25,020**	**31,963**	**13,954**	**2,078**	**73,015**
Income					
Service Revenue Grants	3,152	379	122	0	3,653
Customer and Client Receipts	5,997	4,242	306	1,467	12,012
Total Service Income before Annual Adjustments	**9,149**	**4,621**	**428**	**1,467**	**15,665**
Service Income Adjustments	**£'000's**	**£'000's**	**£'000's**	**£'000's**	**£'000's**
Impairment Reversal - Capital Adjustments	905	50	0	0	955
Total Capital Income Adjustments	**905**	**50**	**0**	**0**	**955**
Total Service Income after Annual Adjustments	**10,054**	**4,671**	**428**	**1,467**	**16,620**
Cost of Services on Continuing Operations	**14,965**	**27,292**	**13,527**	**610**	**56,394**
Other Operating Expenditure					(6)
Interest Payable					5,055
Investment Income					(625)
Taxation and Non Specific Grant Income					(48,674)
Other Income and Expenditure					**(44,250)**
Deficit on the Provision of Services					**(12,144)**

Summary of Service Adjustments		Leisure and Development	Environmental Services	Corporate Policy and Resources	Planning	Total
		£'000's	£'000's	£'000's	£'000's	£'000's
Capital Adjustments - Service Expenditure		4,915	2,786	851	0	8,552
Capital Adjustments - Service Income		(905)	(50)	0	0	(955)
Total Capital Adjustments - Services	**1b**	**4,010**	**2,736**	**851**	**0**	**7,597**
Pension Adjustments		826	1,110	3,998	0	5,934
Accumulated Absences		13	7	10	(2)	28
Total Service Adjustments	**1b / 29**	**4,849**	**3,853**	**4,859**	**(2)**	**13,559**

3 b Prior Year Income and Expenditure by Nature

	Leisure and Development - Note 29a	Environmental Services - Note 29b	Corporate Policy and Resources -Note 29c	Planning - Note 29d	2017/18 Total
Service Expenditure	**£'000's**	**£'000's**	**£'000's**	**£'000's**	**£'000's**
Our People	9,764	12,861	4,191	1,720	28,536
Our Councillors	25	1	891	5	922
Our Premises	2,502	1,804	733	40	5,079
Our Vehicles	232	2,302	100	18	2,652
Our Suppliers	4,380	5,587	1,214	72	11,253
Third Party Payments	13	2,744	68	0	2,825
Support Services	440	334	664	21	1,459
Contributions to Provisions	0	1,677	349	0	2,026
Gross Service Expenditure Reported to Management	**17,356**	**27,310**	**8,210**	**1,876**	**54,752**
Service Expenditure Adjustments	**£'000's**	**£'000's**	**£'000's**	**£'000's**	**£'000's**
Depreciation	4,469	3,015	592	0	8,076
Impairment	3,825	2,136	53	0	6,014
REFCUS	0	0	60	0	60
Total Capital Expenditure Adjustments	8,295	5,150	705	0	14,150
Pension	786	955	402	45	2,188
Accumulated Absences	(41)	(27)	(14)	1	(81)
Pension and Accumulated Absences Adjustments	**745**	**928**	**388**	**46**	**2,107**
Total Service Expenditure after Annual Adjustments	**26,396**	**33,388**	**9,303**	**1,922**	**71,009**
Service Income	**£'000's**	**£'000's**	**£'000's**	**£'000's**	**£'000's**
Service Revenue Grants	1,852	377	97	0	2,326
Customer and Client Receipts	5,599	5,044	365	1,392	12,400
Total Service Income before Annual Adjustments	**7,451**	**5,421**	**462**	**1,392**	**14,726**
Service Income Adjustments	**£'000's**	**£'000's**	**£'000's**	**£'000's**	**£'000's**
Impairment Reversal - Capital Adjustments	3,269	738	467	0	4,474
					0
Total Service Income after Annual Adjustments	**10,720**	**6,159**	**929**	**1,392**	**19,200**
Cost of Services on Continuing Operations	**15,676**	**27,229**	**8,374**	**530**	**51,809**
Other Operating Expenditure					531
Interest Payable					3,990
Investment Income					(698)
Taxation and Non Specific Grant Income					(49,400)
Other Income and Expenditure					**(45,577)**
Deficit on the Provision of Services					**(6,232)**

Summary of Service Adjustments		Leisure and Development	Environmental Services	Corporate Policy and Resources	Planning	2017/18 Total
		£'000's	**£'000's**	**£'000's**	**£'000's**	**£'000's**
Capital Adjustments - Service Expenditure		745	928	388	46	2,107
Capital Adjustments - Service Income		(3,269)	(738)	(467)	0	(4,474)
Total Capital Adjustments - Services	**1c**	**(2,524)**	**190**	**(79)**	**46**	**(2,367)**
Pension Adjustments		786	955	402	45	2,188
Accumulated Absences		(41)	(27)	(14)	1	(81)
Total Service Adjustments	**1c**	**(1,779)**	**1,118**	**309**	**92**	**(260)**

4 Cost of Services on Continuing Operations

4 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 2018/19 (2017/18 - £0).

4 b External Audit Fees

	2018/19	2017/18
	£'000's	£'000's
External Audit Fees	57	53
Audit Underprovided Prior Year	2	0
Performance Audit Fees	22	20
National Fraud Initiative (NFI)	1	0
NFI Underprovided Prior Year	1	0
Other Non Statutory	0	0
	83	73

5 Council as Lessor:

5 a Finance Leases (Council as Lessor)

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

5 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 £688,306 (2018-£622,337).

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:

	2018/19		2017/18	
	Land and Buildings £'000's	Vehicles, Plant and Equipment £'000's	Land and Buildings £'000's	Vehicles, Plant and Equipment £'000's
Minimum lease rentals receivable:				
No later than 1 year	535	0	588	0
Later than 1 year and no later than 5 years	2,148	0	1,943	0
Later than 5 years	49,560	0	48,859	0
	52,243	0	51,390	0

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

	2018/19		2017/18	
	Land and Buildings £'000's	Vehicles, Plant and Equipment £'000's	Land and Buildings £'000's	Vehicles, Plant and Equipment £'000's
Cost	8,968	0	7,989	0
Reclassifications / Transfers	3,155	0	880	0
Accumulated depreciation and impairments at 1 April	(92)	0	(92)	0
Depreciation charge for the year	0	0	0	0
Impairments	(1,005)	0	0	0
Revaluations	0	0	99	0
	11,026	0	8,876	0

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:

5 c Finance Leases (Council as lessee)

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

5 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:

	2018/19			2017/18		
	Land and Buildings £'000's	Vehicles, Plant and Equipment £'000's	Total £'000's	Land and Buildings £'000's	Vehicles, Plant and Equipment £'000's	Total £'000's
Minimum lease payments	33	60	93	29	60	89
Contingent rentals	0	0	0	0	0	0
Less:Sublease payments receivable	0	0	0	0	0	0
	33	60	93	29	60	89

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

	2018/19			2017/18		
Minimum lease rentals payable:	Land and Buildings £'000's	Vehicles, Plant and Equipment £'000's	Total £'000's	Land and Buildings £'000's	Vehicles, Plant and Equipment £'000's	Total £'000's
No later than 1 year	33	60	93	25	60	85
Later than 1 year and no later than 5 years	131	239	370	97	239	336
Later than 5 years	493	263	756	496	323	819
	657	562	1,219	618	622	1,240

6 a Staff Costs

	2018/19	2017/18
	£'000's	£'000's
Salaries and Wages	18,531	16,727
Employer's National Insurance Contributions	1,710	1,534
Employer's Superannuation	3,273	3,105
Employer's Superannuation - Civil Service Scheme	190	208
Apprentice Levy	77	85
Agency Staff Costs	7,332	6,585
Seconded Wages	80	41
Indirect Employee Costs	335	253
Salaries and wages capitalised	(111)	0
	31,417	28,538

The Council's current contribution rate to the NILGOSC scheme is 20%. At the last actuarial valuation, dated 31 March 2016, the Fund's assets as a whole were sufficient to meet 91% (2013: 82%) of the liabilities accrued up to that date.

6 b Average Number of Employees

	2018/19	2017/18
	FTE	FTE
Environmental services	302	315
Leisure and Recreational Services	189	186
Planning and Development Services	45	41
Other	91	89
Total Number	627	631

	2018/19	2017/18
	Actual Numbers	Actual Numbers
Full-time numbers employed	537	540
Part-time numbers employed	149	163
Total Number	686	703

6 c Senior Employees' Remuneration

	2018/19	2017/18
Salary Bands	Number	Number
£50,001 to £60,000	15	17
£60,001 to £70,000	3	1
£80,001 to £90,000	3	3
£110,001 to £120,000	1	1
Total Number	22	22

6 d Exit Packages

Exit package cost band (including special payments)	2018/19 Compulsory redundancy Number	2018/19 Other departures agreed Number	2017/18 Compulsory redundancy Number	2017/18 Other departures agreed Number
£0 to £20,000	0	2	0	3
£20,001 to £40,000	0	1	0	0
£60,001 to £80,000	0	0	0	1
£100,001 to £150,000	0	0	0	2
£150,001 to £200,000	0	1	0	0
Total	0	4	0	6

Cost of Exit Packages	2018/19 Total Number of Exit Packages Number	2018/19 Total Value exit packages £'000's	2017/18 Total Number of Exit Packages Number	2017/18 Total Value exit packages £'000's
£0 to £20,000	2	2	3	9
£20,001 to £40,000	1	21	0	0
£60,001 to £80,000	0	0	1	60
£100,001 to £150,000	0	0	2	280
£150,001 to £200,000	1	186	0	0
Total	**4**	**209**	**6**	**349**

No 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.

6 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 2017.

For 2019 employers' contributions of £190,243 (2018-£207,912) 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 2017-18 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.

7 Other Operating Expenditure

Council had no Other Operating Expenditure.

		2018/19 £'000's	2017/18 £'000's
(Surplus) / Deficit on Non Current Assets *	10e	(6)	531
Totals		**(6)**	**531**

* All elements of Other Operating Expenditure form part of Capital Adjustments adjusted via Capital Adjustment Account - notes 1a and 1b refer.

8 Financing and Investment Income and Expenditure

	2018/19			2017/18 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
Interest Payable and Similar Charges						
Government Loan Interest	2,661	0	2,661	2,632	0	2,632
Commercial Loan interest	468	0	468	529	0	529
Investment Income	0	8	(8)	0	3	(3)
NIHE Income	0	95	(95)	0	100	(100)
Pensions interest cost ~	900	0	900	814	0	814
Investment Property Income and Expenditure	21	522	(501)	15	552	(537)
Changes in Fair Value of Investment Properties *	1,005	0	1,005	0	43	(43)
Totals	**5,055**	**625**	**4,430**	**3,990**	**698**	**3,292**

~ Pension Interest Cost forms part of Pension adjustments and is adjusted via Pension Adjustments and the Pension Reserve - notes 1b and 1c refer.

* Changes in Fair Value of Investment Properties forms part of Capital Adjustments adjusted via Investment Property Revaluation Reserve - notes 1b and 1c refer.

9 Taxation and Non Specific Grant Income

Shadow Council had no Taxation and Non Specific Grant Income.

		2018/19 £'000's	2017/18 £'000's
Rates		43,490	41,118
Finalisation - Prior Year		(1,056)	7
Finalisation - Current Year		327	1,056
		42,761	**42,181**
Rates Support Grant		4,126	2,359
De-Rating Grant		1,448	1,445
Transferring Functions Grant		363	376
Total General Grants		5,937	4,180
Capital Grant Receivable*	22a	(24)	3,039
Totals		**48,674**	**49,400**

* Capital Grant Receivable forms part of Capital Adjustments adjusted via Capital Adjustment Account - notes 1b and 1c refer. See also Note 22a.

10a Current Year Cost, Depreciation and Net Book Values

Cost	Land	Buildings	Infrastructure Assets	Vehicles, 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
As at 01 April 2018	46,245	138,716	11,015	18,770	2,397	5,589	0	926	223,658	8,103	92	231,853
Additions (Note 15)	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	(1,265)	(174)	0	0	0	0	884	(55)	0	0	(55)
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	(5,420)	0	0	(3,155)	3,155	0	0
As at 31 March 2019	**46,813**	**139,238**	**11,113**	**19,662**	**2,390**	**8,123**	**910**	**1,810**	**230,059**	**10,253**	**115**	**240,427**

Depreciaton	Land	Buildings	Infrastructure Assets	Vehicles, 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
As at 01 April 2018	0	618	3,371	11,902	0	0	0	0	15,891	0	71	15,962
Depreciation Charge	0	5,460	666	1,561	0	0	0	0	7,687	0	10	7,697
Depreciation written out on Revaluation Reserve	0	(5,964)	(204)	0	0	0	0	0	(6,168)	0	0	(6,168)
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
As at 31 March 2019	**0**	**111**	**3,786**	**12,700**	**0**	**0**	**0**	**0**	**16,597**	**0**	**81**	**16,678**

Net Book Values

As at 31 March 2019	**46,813**	**139,127**	**7,327**	**6,962**	**2,390**	**8,123**	**910**	**1,810**	**213,462**	**10,253**	**34**	**223,749**

10b Prior Year Cost, Depreciation and Net Book Values

	Land	Buildings	Infrastructure Assets	Vehicles, 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
As at 01 April 2017	34,633	136,444	11,479	16,935	2,082	6,864	0	1,155	209,592	7,000	81	216,673
Additions (Note 15)	0	135	8	1,554	0	4,468	0	0	6,165	0	11	6,176
Revaluation increases/ decreases to Revaluation Reserve	12,892	(1,698)	55	0	0	0	0	242	11,491		0	11,491
Revaluation increases/ decreases to Surplus or Deficit on the Provision of Services	(730)	(839)	(13)	0	0	0	0	0	(1,582)	0	0	(1,582)
Change in fair value of Investment Properties	0	0	0	0	0	0	0	0	0	43	0	43
Derecognition - Disposals	(325)	0	0	(364)	0	0	0	(203)	(892)	0	0	(892)
Derecognition - Other	0	0	0	0	0	(56)	0	0	(56)	0	0	(56)
Reclassifications & Transfers	(225)	4,674	(514)	645	315	(5,687)	0	(268)	(1,060)	1,060	0	0
As at 31 March 2018	**46,245**	**138,716**	**11,015**	**18,770**	**2,397**	**5,589**	**0**	**926**	**223,658**	**8,103**	**92**	**231,853**

Depreciaton	Land	Buildings	Infrastructure Assets	Vehicles, 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
As at 01 April 2017	0	15,344	2,985	10,609	0	0	0	0	28,938	0	51	28,989
Adjustments between depreciation/impairment	0	22	0	(22)	0	0	0	0	0	0	0	0
As at 01 April 2017	0	15,366	2,985	10,587	0	0	0	0	28,938	0	51	28,989
Depreciation Charge	0	5,630	796	1,631	0	0	0	0	8,057	0	20	8,077
Depreciation written out on Revaluation Reserve	0	(20,277)	(460)	0	0	0	0	0	(20,737)	0	0	(20,737)
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	0	0	(42)	0	0	0	0	0	(42)	0	0	(42)
Derecognition - Disposals	0	0	0	(325)	0	0	0	0	(325)	0	0	(325)
Reclassifications & Transfers	0	(101)	92	9	0	0	0	0	0	0	0	0
As at 31 March 2018	**0**	**618**	**3,371**	**11,902**	**0**	**0**	**0**	**0**	**15,891**	**0**	**71**	**15,962**

Net Book Values

As at 31 March 2018	**46,245**	**138,098**	**7,644**	**6,868**	**2,397**	**5,589**	**0**	**926**	**207,767**	**8,103**	**21**	**215,891**

10c Revaluation Reserve

2019	Land	Buildings	Infrastructure Assets	Vehicles, 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
As at 01 April 2018	22,121	39,476	2,761	0	183	0	0	758	65,299	7,149	0	72,448
Transfers	0	(11)	11	0	0	0	0	0	0	0	0	0
Revaluation increases/ decreases to Revaluation Reserve @ cost	500	(1,265)	(174)	0	0	0	0	884	(55)	0	0	(55)
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	5,964	204	0	0	0	0	0	6,168	0	0	6,168
Excess of depreciation on revalued amounts over historic values	0	(843)	(204)	0	0	0	0	0	(1,047)	0	0	(1,047)
As at 01 April 2019	**22,621**	**43,321**	**2,598**	**0**	**183**	**0**	**0**	**1,642**	**70,365**	**6,144**	**0**	**76,509**

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.

2018	Land	Buildings	Infrastructure Assets	Vehicles, 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
As at 01 April 2017	15,232	22,165	2,514	0	0	0	0	696	40,607	0	0	40,607
Adjustments *	(6,000)	(135)	0	0	0	0	0	0	(6,135)	7,000	0	865
As at 1 April as restated	9,232	22,030	2,514	0	0	0	0	696	34,472	7,000	0	41,472
Transfers	(3)	(138)	31	0	183	0	0	(180)	(107)	106	0	(1)
Revaluation increases/ decreases to Revaluation Reserve @ cost	12,892	(1,698)	55	0	0	0	0	242	11,491		0	11,491
Change in fair value of Investment Properties	0	0	0	0	0	0	0	0	0	43	0	43
Depreciation written out on Revaluation Reserve	0	20,277	460	0	0	0	0	0	20,737	0	0	20,737
Excess of depreciation on revalued amounts over historic values	0	(995)	(299)	0	0	0	0	0	(1,294)	0	0	(1,294)
As at 01 April 2018	**22,121**	**39,476**	**2,761**	**0**	**183**	**0**	**0**	**758**	**65,299**	**7,149**	**0**	**72,448**

	2018/19	2017/18
Revaluation increases/ decreases to Revaluation Reserve @ cost	(55)	11,491
Depreciation written out on Revaluation Reserve	6,168	20,737
Rounding		(1)
Surplus/(Deficit) on revaluation of non-current assets	**6,113**	**32,227**

10d **Impairment / Impairment Reversal Charged to CIES (Notes 3a and 3b refer).**

2019	Land	Buildings	Infrastructure Assets	Vehicles, 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	(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
Net Impairment Reversal / (Impairment)	**(85)**	**674**	**50**	**0**	**(7)**	**0**	**0**	**0**	**632**	**0**	**0**	**632**

2018												
	£	£	£	£	£	£	£	£	£	£	£	£
Cost	(730)	(839)	(13)	0	0	0	0	0	(1,582)	0	0	(1,582)
Depreciation	0	0	42	0	0	0	0	0	42	0	0	42
Net Impairment Reversal / (Impairment)	**(730)**	**(839)**	**29**	**0**	**0**	**0**	**0**	**0**	**(1,540)**	**0**	**0**	**(1,540)**

This note quantifies by asset class the amount of Net Impairment Reversal/ (Impairment) charged to the CIES (Notes 3a 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.

10 e

Disposal of non current assets	2019	2018
	£'000's	£'000's
Cost of assets disposed	(776)	(892)
Depreciation eliminated on disposal	763	325
Carrying amount of non-current assets sold	**(13)**	**(567)**
Proceeds from sale of fixed assets	19	36
(Profit) / Loss on sale of fixed assets	**(6)**	**531**

Note 7 refers.

10 f **Derecognition - Other**

Expenditures of £54,830 on a number of smaller projects was derecognised and treated as revenue. During the year additional expenditure on Portstewart Environmental Improvement Scheme of £134,390 was derecognised and treated as revenue as council do not own the asset.

10 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 10a refers.

10 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 2019 and 2018 are as follows:-

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	910	0	910
Type 3	0	0	0	0
Total	**0**	**910**	**0**	**910**

Surplus asset refers to the Dunluce Centre, sale of which had been agreed in 2016/17 accordingly the carrying value had been reclassified under current assets - assets held for resale. The buyer, however, was reliant on central government grant which has not been forthcoming (nor given the current position in Stormont appears imminent) - on this basis the designation of the asset has reverted to Fixed as opposed to Current.

2017/18 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 2018
	£'000's	£'000's	£'000's	£'000's
Type 1	0	0	0	0
Type 2	0	0	0	0
Type 3	0	0	0	0
Total	**0**	**0**	**0**	**0**

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.

10 i Valuation Process for Investment Property

Property held by the Council solely for the purpose of generating rental income and/or capital appreciaton 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 8 "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.

10 j Intangible Assets

Intangible Assets comprise Podcast Net Book Value £1,692 (2018 - £3,254), Genealogy £2,991 (2018 - £5,756) and Computer and Telephony Licences £29,155 (2018 - £12,240).

11 Debtors

11 a Long Term Debtors	2019	2018 as restated
	£'000's	£'000's
Public Sector Debtors	1,058	1,129
Employee Loans	68	46
Total Long-Term Debtors	**1,126**	**1,175**

11 b Short Term Debtors	2019	2018 as restated
	£'000's	£'000's
Public Sector Debtors	1,769	2,380
Employee Loans	39	31
Revenue Grants due from the public sector	2,779	2,324
Capital Grants due from the public sector	0	268
Trade Receivables	675	768
Impairment loss - Trade receivables	(12)	(8)
Prepayments & Accrued Income	230	152
Other	407	254
Total Short-Term Debtors	**5,887**	**6,169**
Total Debtors	**7,013**	**7,344**

11 c Trade debtors, inclusive of VAT, inclusive of impairment can be	2019	2018
	£'000's	£'000's
Less than three months	534	592
Three to six months	129	32
Total Aged Trade Recivables after Impairment Provision	**663**	**761**

12 Investments

All deposits held by Council at 31 March 2019 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 24c refers. Accordingly, Council does not hold any Short or Long Term Investments as defined by the Code.

13

Inventories	2019	2018
	£'000's	£'000's
Fuel	97	63
Central Stores	81	72
Total	**178**	**135**

14 Borrowings

14 a Short Term Borrowing

	2019	2018
	£'000's	£'000's
Loans re-payable within one year	5,020	6,907
Total Short Term Borrowing	**5,020**	**6,907**

£2,458,250 of commercial loans were redeemed early on the 5th April 2018.
Council drew down new Government Loan finance amounting to £9,274,000 during 2018/19.

14 b Long Term Borrowing

	2019	2018
	£'000's	£'000's
Between 1 and 2 years	5,029	4,476
Between 2 and 5 years	12,689	12,231
Between 5 and 10 years	16,337	16,554
In more than 10 years	32,113	28,921
Total Long Term Borrowing	**66,168**	**62,182**
Total Borrowing	**71,188**	**69,089**

14 c Analysed over:

	2019	2018
	£'000's	£'000's
Government Loans	61,188	56,631
Commercial Loans	10,000	12,458
	71,188	**69,089**

Interest rates on Government Loans range between 1.14% to 16.25%
Interest rates on Commercial Loans range between 4.45% to 4.99 %

15 Capital Expenditure

Capital Expenditure		2019	2018
		£'000's	£'000's
Opening Capital Financing Requirement		75,557	81,492
Capital Investment			
Non Current Assets	10a / 10b	9,105	6,176
Net Revenue Expenditure funded from capital under statute	3a / 3b	531	60
Sources of Finance			
Capital Receipts	MIRS / 25a	(19)	(35)
Government Grants and Other Contributions Released	9	24	(3,039)
Government Grants and Other Contributions Deferred	22	(78)	(2,712)
Transfers to Sinking Fund	2	(304)	(304)
Sums set aside from Revenue			
Direct Revenue Contributions	10a / 10b	(189)	(56)
Minimum Revenue Provision	1	(5,892)	(6,025)
Closing Capital Financing Requirement		**78,735**	**75,557**

Explanation of Movements in Year	2019	2018
	£'000's	£'000's
Increase / Decrease in underlying need to borrow	3,178	(5,935)
Increase/(decrease) in Capital Financing Requirement	**3,178**	**(5,935)**

16 Future Capital Commitments

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

	Gross Cost	Grant Aid	Net Cost
	£'000's	£'000's	£'000's
Schemes underway	3,239	1,542	1,697
Other Commitments	1,408	168	1,240
Total	**4,647**	**1,710**	**2,937**

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

17 Creditors

17 a

Short Term Creditors	2019	2018 as restated
	£'000's	£'000's
Public Sector Creditors	541	795
Employee Creditors	448	420
Loan Interest Payable	524	529
Capital Creditors	160	191
Receipts in advance	2,619	2,603
Trade creditors	5,123	4,894
Accruals and Other	923	92
Deferred Revenue Grants	67	47
Total Short Term Creditors	**10,405**	**9,571**

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

17 c Payment of Invoices

The Council has a target of paying supplier invoices within 30 calendar days. During the year the Council paid 30,208

	2019	2018
Total Invoices paid	30,208	28,486
Paid within 30 days	24,846	23,430
% within 30 days	82%	82%
Paid within 10 days	12,824	11,964
% within 10 days	42%	42%
After 30 days	5,362	5,056
% after 30 days	18%	18%
Number of Disputed Invoices	126	102
Average Payment Days	24.49 days	22.58 days

18 Provisions

18 a Current Year

Provisions	At 1 April 2018	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	At 31 March 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
	14,515	354	(200)	0	352	15,021
	£'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
	14,515	354	(200)	0	352	15,021

18 b Comparative Year Provisions

Provisions	At 1 April 2017	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	At 31 March 2018
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Landfill Provision	12,676	127	0	0	1,512	14,315
Severance Payments	308	200	(308)	0	0	200
	12,984	327	(308)	0	1,512	14,515
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Current Provisions	308	200	(308)	0	0	200
Long Term Provisions	12,676	127	0	0	1,512	14,315
	12,984	327	(308)	0	1,512	14,515

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 2017-18 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 2b&c). During the year changes to the discount rates resulted in increases to the provisions of £352,265 (2018 - increases £1,511,951). The provisions by site are set out below.

Landfill Site	Closure Costs	Aftercare Costs	At 31 March 2019	Closure Costs	Aftercare Costs	At 31 March 2018
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Craigahulliar	2,213	3,330	5,543	1,635	3,354	4,989
Crosstagherty	1,740	788	2,528	1,735	764	2,499
Drumaduff	4,559	2,391	6,950	4,520	2,307	6,827
	8,512	6,509	15,021	7,890	6,425	14,315

Severance

Severance costs of £0 (2018-£199,599) were provided for in year (based on decisions to terminate employees' services taken within the year). These costs qualify under the provisions of Revenue Expenditure funded from Capital under Direction (REFCUD) which when applied ensure severance costs have no impact on the General Fund and by extension the level of District Rates. REFCUD was not applied in the current year nor in 2017/18, Council having decided to absorb the impact of costs within its General Fund.

19 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 11 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 and Personnel'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 14 to 18. All trade and other payables are due for

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.

	2019	2018
	£'000's	£'000's
Government Loans	78,012	71,689
Market Loans	10,000	12,458
Total	**88,012**	**84,147**

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

20 Retirement Benefits

20 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.

20 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	2019	2018
		£'000's	£'000's
Net cost of services:			
Current service cost	20 c	6,151	5,398
Past service cost/(gain)	20 c	3,486	524
Net operating expenditure:			
Net Interest on net defined benefit Liability (asset)	8	900	814
Total Post-employment Benefits charged to the Surplus or Deficit on		**10,537**	**6,736**
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(10,537)	(6,736)
Actual amount charged against the general fund balance for pensions			
Employers' contributions payable to scheme	20 c	3,703	3,734
Net charge to the Comprehensive Income and Expenditure Statement		**(6,834)**	**(3,002)**

The service cost figures include an allowance for administration expenses of £0.

Remeasurements recognised in Other Comprehensive Income and Expenditure	Note	2019	2018
		£'000's	£'000's
Liability gains/(losses) due to change in assumptions	20 c	(10,729)	(3,188)
Liability experience gains/(losses) arising in the year	20 c	7,760	0
Actuarial gains/(losses) on plan assets	20 c	(222)	(757)
Other - (if applicable)	20 c	6,609	3,645
Total gains/(losses) recognised in Other Comprehensive Income and Expenditure		**3,418**	**(300)**

20 c Assets and liabilities in relation to retirement benefits

Reconciliation of present value of the scheme liabilities:	Note	2019	2018
		£'000's	£'000's
Balance as at 1 April		182,509	171,609
Current service cost	20 b	6,151	5,398
Interest cost		4,701	4,418
Contributions by members		1,149	1,068
Remeasurement (gains) and losses:			
Actuarial (gains)/losses arising from changes in financial	20 b	10,729	3,188
Actuarial gains/losses arising from demographic changes	20 b	(7,760)	0
Actuarial (gains)/losses arising on liabilities from experience	20 b	222	757
Past service costs/(gains)	20 b	3,486	524
Estimated unfunded benefits paid		(30)	(31)
Estimated benefits paid		(4,563)	(4,422)
Balance as at 31 March		**196,594**	**182,509**

Reconciliation of present value of the scheme assets:	Note	2019	2018
		£'000's	£'000's
Balance as at 1 April		146,011	138,413
Interest Income		3,801	3,604
Contributions by members		1,149	1,068
Contributions by employer		3,673	3,703
Contributions in respect of unfunded benefits		30	31
Remeasurement gain/(loss)		6,609	3,645
Unfunded benefits paid		(30)	(31)
Benefits paid		(4,563)	(4,422)
Balance as at 31 March		**156,680**	**146,011**

The actual return on scheme assets in the year was a gain of £10,410,000 (2017-£7,249,000)

Fair Value of Plan Assets	2019	2018
	£'000's	£'000's
Equity investments	93,225	104,252
Government Bonds	25,852	7,593
Corporate Bonds	10,968	10,513
Property	17,548	14,601
Other	4,857	2,482
Cash	4,230	6,570
	156,680	**146,011**

The above asset values are at bid value as required by IAS 19.
Details of estimates made by the Fund Manager when assessing the fair values of plan assets.
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):

	2019	2018
	£'000's	£'000's
Fair Value of Employer Assets	156,680	146,011
Present value of funded defined benefit obligation	(196,141)	(182,015)
Pension asset/(liability) of Funded Scheme	(39,461)	(36,004)
Present Value of unfunded defined benefit obligation	(453)	(494)
Net asset/(liability) arising from the defined benefit obligation	**(39,914)**	**(36,498)**

Amount in the Balance sheet:	£'000's	£'000's
Liabilities	(39,914)	(36,498)
Assets	0	0
Net Asset/(Liability)	**(39,914)**	**(36,498)**

20 d Scheme history

Analysis of scheme assets and liabilities	2019	2018
	£'000's	£'000's
Fair Value of Assets in pension scheme	156,680	146,011
Present Value of Defined Benefit Obligation	(196,594)	(182,509)
Surplus/(deficit) in the Scheme	**(39,914)**	**(36,498)**

Amount recognised in Other Comprehensive Income	2019	2018
	£'000's	£'000's
Actuarial gains/(losses)	3,418	(300)
Remeasurements recognised in the Other Comprehensive Income and Expenditure Statement	**3,418**	**(300)**
Experience gains and (losses) on assets	6,609	3,645
Experience gains and (losses) on liabilities	(3,191)	(3,945)

The liabilities show the underlying commitments that the Council has in the long run to pay retirement benefits. The total liability of £196,594,000 has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in a net liability of £39,914,000.

However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit on the Northern Ireland Local Government Officers' Pension Fund will be made good by increased contributions over the remaining working life of employees, assessed by the scheme actuary.

Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2020

	2020
	£'000's
Projected current cost	6,548
Net Interest on the net defined benefit liability (asset)	827
	7,375

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 2020 is £7,375,000.

History of experience gains and losses

The actuarial gains identified as movements on the Pensions Reserve 2018/19 can be analysed into the following categories, measured as a percentage of opening assets or liabilities for that year.

	2019	2018
		%
Experience gains and (losses) on Assets	4.22%	2.50%
Experience gains and (losses) on Liabilities	1.62%	2.16%

20 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, 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 2016.

Mortality assumptions:

Longevity at 65 current pensioners:		
Men	22.6 years	23.3 years
Women	24.9 years	25.9 years
Longevity at 65 for future pensioners (aged 45 at accounting date):		
Men	24.3 years	25.5 years
Women	26.7 years	28.2 years
Inflation/Pension Increase Rate	2.20%	2.10%
Salary Increase Rate	3.70%	3.60%
Discount Rate	2.40%	2.60%

20 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:

	2019	2018
	%	%
Equity investments	59.50	71.40
Government Bonds	16.50	5.20
Corporate Bonds	7.00	7.20
Property	30.00	10.00
Other	3.10	1.70
Cash	2.70	4.50
	118.80	100.00

20 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 2019 and the projected service cost for the year ending 31 March 2020 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 20.e.

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

	Positive Movement	Negative Movement
Adjustment to Discount Rate	**0.1% p.a**	**(0.1%) p.a**
Present Value of total obligation £'000's	192,413	200
% change in present value of total obligation	(1.9%)	1.9%
Projected Service Cost £'000's	6,357	6,743
Approximate % change in projected service cost	(2.9%)	3.0%
Adjustment to salary increase rate	**0.1% p.a**	**(0.1%) p.a**
Present Value of total obligation £'000's	197,210	195,083
% change in present value of total obligation	0.5%	(0.5%)
Projected Service Cost £'000's	6,548	6,548
Approximate % change in projected service cost	0.0%	0.0%
Adjustment to pension increase rate	**0.1% p.a**	**(0.1%) p.a**
Present Value of total obligation £'000's	198,862	193,460
% change in present value of total obligation	1.4%	(1.4%)
Projected Service Cost £'000's	6,743	6,357
Approximate % change in projected service cost	3.0%	(2.9%)
Adjustment to mortality age rate increase rate	**(1 Year)**	**1 Year**
Present Value of total obligation £'000's	202,393	189,944
% change in present value of total obligation	3.2%	(3.2%)
Projected Service Cost £'000's	6,796	6,303
Approximate % change in projected service cost	3.8%	(3.7%)

20 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 31/03/2017. 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 2018.

As a consequence of being unable to identify its share of the underlying assets and liabilities Council effectively treat the scheme as a defined benefit scheme thus requiring only the need to disclose annual contributions made to it.

During the the year Council made contributions of £189,734 (2017/18- 207,912) to the Northern Ireland Civil Service Pension Scheme (Note 6e refers.)

21 Donated Assets Account

21 a

Donated Assets Account	Note	2018/19	2017/18
		£'000's	£'000's
Opening balance		109	95
Add: new donated assets received (condition of use not met)		0	14
Closing Balance		**109**	**109**

21 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:

21

Donated Assets Account	Note	2018/19	2017/18
		£'000's	£'000's
John Onslow Springhall Bequest		109	109
		109	**109**

Council received a cash bequest to be utilised for operational and/or capital improvements to "Flowerfield Arts Centre". A suitable course of action has yet to be identified.

22 Capital Grants Received in Advance

22 a

Capital Grants Received in Advance	Government	Non Government	Total
	£'000's	£'000's	£'000's
Opening balance at 01 April 2017	26	2,612	2,638
Add: new capital grants received in advance (condition of use not met)	0	400	400
Less: amounts released to the Comprehensive Income and Expenditure Statement	(26)	(3,012)	(3,038)
Closing Balance at 31 March 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
Closing Balance	**2,634**	**78**	**2,712**

In the current year £26,000 of capital grant was applied, however £49,684 previously applied in 2018/19 was not received thus creating a net negative release of £23,684 (2018-£3,038,908) and is disclosed under Taxation and Non Specific Grant - Note 9 refers.

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:

22 b

Capital Grants Receipts in Advance	2018/19	2017/18
	£'000's	£'000's
Portrush Public Realm	2,615	0
Village Renewal	68	0
Garvagh Forest Bike trail	29	0
	2,712	**0**

23 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.

24 Notes to the cash flow statement

24 a Analysis of Adjustments to Surplus/Deficit on the Provision of Services

Adjustment to surplus or deficit on the provision of services for	Notes	2018/19	2017/18
		£'000's	£'000's
Depreciation & Amortisation of non-current assets	10a / 10b	7,697	8,077
Impairment & downward revaluations (& non-sale derecognitions) of	10d	(632)	1,540
(Increase)/Decrease in Stock	13	(43)	1
(Increase)/Decrease in Debtors	11	67	874
Increase/(decrease) in impairment provision for bad debts	11	(4)	(8)
Increase/(Decrease) in Creditors	17a	868	32
Increase/(Decrease) in Interest Creditors/Debtors	17a	(5)	(23)
Pension fund adjustments	20b	6,834	3,002
Carrying amount of non-current assets sold	10e	13	567
WIP written off to Net Cost of Services	10f	189	56
Contributions to Other Reserves/Provisions	18a / 18b	506	1,531
(Increase)/Decrease in Fair Value of Investment Property	8	1,005	(43)
Total Adjustments for Non Cash Movements		**16,495**	**15,606**

24 b

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	Notes	2018/19	2017/18
		£'000's	£'000's
Proceeds from the sale of PP&E, investment property and intangible		(19)	(35)
Capital grants included in "Taxation & non-specific grant income"	1a,1b,1c,22a	24	(3,039)
Total Investing and Financing Adjustments		**5**	**(3,074)**

24 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

	2018/19	2017/18
	£'000's	£'000's
Cash and Bank balances	787	11,838
Bank Overdraft	0	(2,081)
Cash and Bank balances after Bank Overdraft Offset	787	9,757
Short Term Deposits (considered to be Cash Equivalents)	10,789	1,525
Total Cash and Cash Equivalents	**11,576**	**11,282**

24 d

Cash Flow Statement-Operating Activities	2018/19	2017/18
The cash flows from operating activities include:	£'000's	£'000's
Interest received	103	103
Interest paid	3,135	3,184

24 e

Cash flows from Investing Activities	2018/19	2017/18
	£'000's	£'000's
Purchase of PP&E, investment property and intangible assets	(9,106)	(6,176)
Opening Capital Creditors	(190)	(148)
Closing Capital Creditors	160	191
Proceeds from the sale of PP&E, investment property and intangible assets	19	35
Capital grants & contributions included in Taxation & non specific grant income	(24)	3,039
Opening Capital Grant Debtors	268	84
Closing Capital Grant Debtors	0	(268)
Movement in Grants received in advance	2,712	(2,638)
Net Cash flows from Investing Activities	**(6,161)**	**(5,881)**

24 f

Cash flows from Financing Activities	2018/19	2017/18
	£'000's	£'000's
Financing Receipts - Cash Donation	0	14
Other Receipts from Financing Activities	9,274	0
Repayment of Short and Long Term Borrowing	(7,175)	(4,776)
Net Cash flows from Financing Activities	**2,099**	**(4,762)**

25 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	2018/19	2017/18
		£'000's	£'000's
Movement			
Proceeds of sale		19	35
Capital Receipts used to finance capital expenditure		(19)	(35)
Net Movement		0	0
At 31 March		**0**	**0**

26 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	2018/19	2018/19	2017/18	2017/18
	£'000's	£'000's	£'000's	£'000's
	Turnover	Profit/(Loss)	Turnover	Profit/(Loss)
Car Parking Facilities	1,103	584	1,121	625
Camping and Caravanning Facilities	2,982	1,352	2,640	975
Totals	**4,085**	**1,936**	**3,761**	**1,600**

Car Parking forms an integral part of Environmental Services - Infrastructure Note 29b.

Camping and caravanning facilities form an integral part of Tourism within the Leisure and Recreation segment as disclosed under Note 29a.

27 Agency Services

The Council acts as a Lead Partner for various schemes, projects or Committees. The common charateristic of these projects or Committes 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 11b.

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.

	2018/19	2018/19	2018/19	2017/18	2017/18	2017/18
	Income / Expenditure £'000's	Year end Debtors £'000's	Council's share of costs £'000's	Income / Expenditure £'000's	Year end Debtors £'000's	Council's share of costs £'000's
Peace IV	1,086	1,010	0	260	215	0
Totals	**1,086**	**1,010**	**0**	**260**	**215**	**0**

Council acted as Lead in programmes or Joint Committees, administering £389,472 of funds at a total cost to Council of £0.

28 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 27 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.

28 a Community Group payments greater than £5,000.

Council paid a total of £1,036,685 (2018 - £981,838) in grants to 360 (2018 - 164) community associations. Only 25 (2018 - 25) of these organisations received amounts of £5,000 or more are as follows:

			2018/19	2017/18
Name of Body	No. of Elected Members	No. of Elected Members	£	£
Causeway Citizens Advice Bureau	2	2	297,307	288,977
Armoy Motorcycle Racing	Nil	Nil	10,785	10,785
Garvagh Development Trust	Nil	Nil	0	10,000
Limavady Sports Council	2	2	6,562	6,860
Ballymoney Sports Advisory Committee	2	2	7,562	7,860
Stendhal Festival Limited	Nil	Nil	26,620	15,906
Portstewart Community Association	2	2	0	3,593
Riverside Theatre University of Ulster Coleraine	3	3	105,625	51,875
Super Cup NI International Youth Football Cup	Nil	Nil	85,500	85,500
Coleraine & District Motor Club	Nil	Nil	72,000	122,400
Glens Of Antrim Historical Society	Nil	Nil	20,000	18,333
Roe Valley Residents Association	Nil	Nil	5,945	0
Royal Scottish Pipe Band Assoc NI	Nil	Nil	9,780	10,688
Heart Of The Glens Community Festival	Nil	Nil	12,833	6,885
Portrush Heritage Group	1	1	10,000	11,550
Causeway Coast & Glens Heritage Trust	4	4	0	61,250
Bushmills Residents & Environmental Forum	Nil	Nil	0	6,893
Garvagh Museum	1	1	7,500	7,125
Kingdom Of Dalriada Ulster Scots Society	Nil	Nil	0	5,801
Roe Valley International Folk Festival	Nil	Nil	0	5,941
Coleraine Local Sports Advisory Council	Nil	Nil	6,772	6,038
Danny Boy Jazz & Blues Festival	Nil	Nil	0	5,000
Derry & District Youth FA Foyle Cup	Nil	Nil	10,200	7,000
Limavady Volunteer Centre	Nil	Nil	0	5,071
Outdoor Recreation NI	Nil	Nil	0	6,850
The Canoe Association of NI	Nil	Nil	0	16,588
Feeny Community Association	Nil	Nil	8,222	0
LCDI	Nil	Nil	14,224	0
Rasharkin Community Association	Nil	Nil	5,408	0
Coleraine Street Pastors	1	1	7,500	0
Kilrea TH Management Committee	1	1	6,750	0
Dry Arch Children's Centre Ltd	Nil	Nil	7,880	0
Causeway Rural and Urban Network	Nil	Nil	6,800	0
The YEAR Project	Nil	Nil	5,898	0
Riding for the Disabled	Nil	Nil	8,400	0

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

Name of Body	No. of Elected Members	No. of Council Officers	2018/19 £	2017/18 £
Ballintoy & District Community Association	2	0	0	0
Giants Causeway Community Association	2	1	0	0
Liscolman Community Association	2	0	0	0
Bushmills & District Community Association	2	0	0	970
Bushmills Children & Young People's Services Group	2	0	0	0
Mosside Community Development Group	2	0	0	0
Causeway Coast Arts Committee	1	0	0	0
Causeway Coast and Glens Local Action Group Limited	8	1	0	0
Aghanloo Community Association	1	0	2,000	725
Big Telly Theatre Company	1	0	737	1,080
Burnfoot Community Development Association	1	0	2,690	2,260
Cairns Residents Group	1	0	2,045	1,127
Carey Faughs GAC	1	0	0	890
Coleraine 50+ Forum	1	0	414	499
Drumsurn Conmmuntiy Association	1	0	3,148	1,458
Focus on Family Development & Nurturing Centre	1	0	4,780	4,860
Kilrea Town Hall Management Committee	1	0	0	4,500
Burnfoot Community Development Association	1	0	2,690	2,260
Glack Community Association	1	0	2,200	0
Aghadowey Rural Kinship	1	0	1,000	0

28 c Group or Joint Committees payments where Council is a member

Name of Body	Lead Council	2018/19 £	2017/18 £
NI Local Government Association		47,749	56,946
National Association of Councillors		3,200	3,200
North West Regional Waste Management Group	Derry City and Strabane	50,595	97,187

28 d Payments to Other Councils

Name of Council	2018/19 £	2017/18 £
Antrim and Newtownabbey Borough Council	680	53,308
Belfast City Council	6,450	20,661
Derry City & Strabane District Council	220,244	208,843
Fermanagh & Omagh District Council	2,536	1,998
Mid & East Antrim Borough Council	15,008	41,111
Mid-Ulster District Council	23,092	7,728
Ards and North Down	3,139	10
Armagh, Banbridge and Craigavon	357	2,393
Lisburn and Castlereagh	68,440	57,353
Newry Mourne and Down District Council	71	1,583

The figure of £220,244 to Derry City & Strabane District Council includes £50,595 paid in relation to the North West Regional Waste Management Group - Note 28c refers.

28 e Department for Communities

Council receives an annual grant from the Department of Communites. During 2018/19 it received £5,937,111 (2017/18- £4,179,693).

28 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 2018/19 council made net contributions of £85,057 (2017/18 £118,102) to the running costs of the partnership. Council provides legal, financial and personnel services to the Partnership for which it received £389,471 in 2017/18 (2017/18 £342,851)

28 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 2019 was £100,202 (at 31st March 2018 - £67,748).

29 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.

29 a Detailed Income & Expenditure Analysis for the year ended 31 March 2019 - Leisure & Development

	Management Accounts			Annual Adjustments						Financial Statements 2018/19		
Service Heading	Gross Expenditure £'000's	Gross Income £'000's	Net Expenditure £'000's	Capital £'000's	Pension £'000's	Accumulated Absences £'000's	Total Gross Expenditure Adjustments £'000's	Impairment Reversal and Capital Grants £'000's	Net Adjustments £'000's	Gross Expenditure per CIES £'000's	Gross Income per CIES £'000's	Net Expenditure per CIES £'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	3,103	405	7	3,515	81	3,434	11,630	2,908	8,722
Tourism & Recreation	4,531	3,294	1,237	1,059	158	5	1,222	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
Leisure & Development	**19,266**	**9,150**	**10,116**	**4,915**	**826**	**13**	**5,754**	**905**	**4,849**	**25,020**	**10,055**	**14,965**

29 b Detailed Income & Expenditure Analysis for the year ended 31 March 2019 - Environmental Services

	Management Accounts			Annual Adjustments						Financial Statements 2018/19		
Service Heading	Gross Expenditure £'000's	Gross Income £'000's	Net Expenditure £'000's	Capital £'000's	Pension £'000's	Accumulated Absences £'000's	Total Gross Expenditure Adjustments £'000's	Impairment Reversal and Capital Grants £'000's	Net Adjustments £'000's	Gross Expenditure per CIES £'000's	Gross Income per CIES £'000's	Net Expenditure per CIES £'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	1,025	47	978	2,505	1,517	988
Operations	18,639	1,253	17,386	1,228	531	(6)	1,754	1	1,752	20,393	1,254	19,138
Environmental Services Business Support	550	0	550	0	57	1	58	0	58	608	0	608
Environmental Services Central Management	118	0	119	0	12	0	12	0	12	130	0	131
Environmental Services	**28,059**	**4,621**	**23,439**	**2,786**	**1,110**	**7**	**3,904**	**50**	**3,853**	**31,963**	**4,671**	**27,292**

29 c Detailed Income & Expenditure Analysis for the year ended 31 March 2019 - Corporate Policy & Resources

	Management Accounts			Annual Adjustments						Financial Statements 2018/19		
Service Heading	Gross Expenditure £'000's	Gross Income £'000's	Net Expenditure £'000's	Capital £'000's	Pension £'000's	Accumulated Absences £'000's	Total Gross Expenditure Adjustments £'000's	Impairment Reversal and Capital Grants £'000's	Net Adjustments £'000's	Gross Expenditure per CIES £'000's	Gross Income per CIES £'000's	Net Expenditure per CIES £'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	3,197	260	215	(3)	472	0	472	3,686	17	3,669
* Performance	2,247	134	2,113	440	75	4	519	0	519	2,766	134	2,632
* Financial Services	1,680	29	1,651	141	3,602	6	3,749	0	3,749	5,429	29	5,400
* Legal Services	440	3	437	0	4	3	7	0	7	447	3	444
Corporate Policy & Resources	**9,095**	**429**	**8,668**	**851**	**3,998**	**10**	**4,859**	**0**	**4,859**	**13,954**	**427**	**13,527**

*

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.

29 d Detailed Income & Expenditure Analysis for the year ended 31 March 2019 - Planning & Non Service Items

	Management Accounts			Annual Adjustments						Financial Statements 2018/19		
Service Heading	Gross Expenditure £'000's	Gross Income £'000's	Net Expenditure £'000's	Capital £'000's	Pension £'000's	Accumulated Absences £'000's	Total Gross Expenditure Adjustments £'000's	Impairment Reversal and Capital Grants £'000's	Net Adjustments £'000's	Gross Expenditure per CIES £'000's	Gross Income per CIES £'000's	Net Expenditure per CIES £'000's
Planning	**2,080**	**1,468**	**612**	**0**	**0**	**(2)**	**(2)**	**0**	**(2)**	**2,078**	**1,468**	**610**
Service Totals	**58,500**	**15,668**	**42,835**	**8,552**	**5,934**	**28**	**14,515**	**955**	**13,559**	**73,015**	**16,621**	**56,394**
Other Operating Expenditure	0	0	0	0	0	0	0	6	(6)	0	6	(6)
Financing & Investment Income & Expenditure	**3,150**	**625**	**2,525**	1,005	900	0	1,905	0	1,905	5,055	625	4,430
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	**61,650**	**64,991**	**(3,338)**	**9,557**	**6,834**	**28**	**16,420**	**937**	**15,482**	**78,070**	**65,926**	**12,144**
MRP & sinking fund movement reported to			6,197									
Not Reported to Management												
Repairs utilised from Earmarked Reserves			(150)									
Capital write-offs			(55)									
Rounding			(1)									
Deficit per Management Accounts			2,653									

29 e Detailed Income & Expenditure Analysis for the year ended 31 March 2018 - Leisure & Development

	Management Accounts			Annual Adjustments						Financial Statements 2017/18		
Service Heading	Gross Expenditure £'000's	Gross Income £'000's	Net Expenditure £'000's	Capital £'000's	Pension £'000's	Accumulated Absences £'000's	Total Gross Expenditure £'000's	Impairment Reversal and £'000's	Net Adjustments £'000's	Gross Expenditure £'000's	Gross Income per CIES £'000's	Net Expenditure £'000's
Community & Culture	2,942	1,343	1,599	488	108	(3)	593	0	593	3,535	1,343	2,192
Prosperity & Place	1,955	386	1,569	163	77	(1)	239	0	239	2,194	386	1,808
Leisure & Development Management	422	0	422	0	38	(5)	33	0	33	455	0	455
Sport & Wellbeing	7,331	2,810	4,521	4,664	403	(13)	5,054	3,269	1,785	12,386	6,080	6,306
Tourism & Recreation	4,491	2,911	1,580	2,980	154	(19)	3,115	0	3,115	7,606	2,911	4,695
Funding Unit	117	0	117	0	6	0	6	0	6	123	0	123
Strategic Projects	97	0	97	0	0	0	0	0	0	97	0	97
Leisure & Development	**17,355**	**7,450**	**9,905**	**8,295**	**786**	**(41)**	**9,040**	**3,269**	**5,771**	**26,396**	**10,720**	**15,676**

29 f Detailed Income & Expenditure Analysis for the year ended 31 March 2018 - Environmental Services

	Management Accounts			Annual Adjustments						Financial Statements 2017/18		
Service Heading	Gross Expenditure £'000's	Gross Income £'000's	Net Expenditure £'000's	Capital £'000's	Pension £'000's	Accumulated Absences £'000's	Total Gross Expenditure £'000's	Impairment Reversal and £'000's	Net Adjustments £'000's	Gross Expenditure £'000's	Gross Income per CIES £'000's	Net Expenditure £'000's
Estates	3,671	175	3,496	559	178	0	737	521	216	4,408	696	3,712
Health & Build Environment	3,617	1,788	1,829	15	251	(17)	249	0	249	3,866	1,788	2,078
Infrastructure	1,084	1,452	(368)	1,786	21	(1)	1,806	104	1,702	2,890	1,556	1,334
Operations	18,426	2,007	16,418	2,790	444	(6)	3,228	113	3,115	21,653	2,119	19,534
Environmental Services Business Support	377	0	377	0	50	(3)	47	0	47	424	0	424
Environmental Services Central Management	136	0	136	0	11	0	11	0	11	147	0	147
Environmental Services	**27,311**	**5,422**	**21,888**	**5,150**	**955**	**(27)**	**6,078**	**738**	**5,340**	**33,388**	**6,159**	**27,229**

29 g Detailed Income & Expenditure Analysis for the year ended 31 March 2018 - Corporate Policy & Resources

	Management Accounts			Annual Adjustments						Financial Statements 2017/18		
Service Heading	Gross Expenditure £'000's	Gross Income £'000's	Net Expenditure £'000's	Capital £'000's	Pension £'000's	Accumulated Absences £'000's	Total Gross Expenditure £'000's	Impairment Reversal and £'000's	Net Adjustments £'000's	Gross Expenditure £'000's	Gross Income per CIES £'000's	Net Expenditure £'000's
Democratic & Registration	1,371	220	1,151	0	88	0	88	0	88	1,460	221	1,239
Corporate Support Services	2,855	126	2,729	9	175	(2)	182	1	181	3,037	127	2,910
Performance	2,353	76	2,277	618	56	(2)	672	466	206	3,025	542	2,483
Financial Services	1,374	36	1,338	78	83	(10)	151	0	151	1,525	36	1,489
Legal Services	256	3	253	0	0	0	0	0	0	256	3	253
Corporate Policy & Resources	**8,209**	**461**	**7,748**	**705**	**402**	**(14)**	**1,093**	**467**	**626**	**9,303**	**929**	**8,374**

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.

29 h Detailed Income & Expenditure Analysis for the year ended 31 March 2018 - Planning & Non Service Items

	Management Accounts			Annual Adjustments						Financial Statements 2017/18		
Service Heading	Gross Expenditure £'000's	Gross Income £'000's	Net Expenditure £'000's	Capital £'000's	Pension £'000's	Accumulated Absences £'000's	Total Gross Expenditure £'000's	Impairment Reversal and £'000's	Net Adjustments £'000's	Gross Expenditure £'000's	Gross Income per CIES £'000's	Net Expenditure £'000's
Planning	**1,876**	**1,392**	**484**	**0**	**45**	**1**	**46**	**0**	**46**	**1,922**	**1,392**	**530**
Service Totals	**54,751**	**14,725**	**40,026**	**14,150**	**2,188**	**(81)**	**16,257**	**4,474**	**11,783**	**71,009**	**19,200**	**51,809**
Other Operating Expenditure	**0**	**0**	**0**	**531**	**0**	**0**	**531**	**0**	**531**	**531**	**0**	**531**
Financing & Investment Income & Expenditure	**3,176**	**655**	**2,521**	**0**	**814**	**0**	**814**	**43**	**771**	**3,990**	**698**	**3,292**
Taxation & Non-Specific Grant Income	**0**	**46,360**	**(46,360)**	**0**	**0**	**0**	**0**	**3,039**	**(3,039)**	**0**	**49,400**	**(49,400)**
(Surplus) / Deficit on the Provision of	**57,927**	**61,740**	**(3,813)**	**14,681**	**3,002**	**(81)**	**17,602**	**7,556**	**10,046**	**75,530**	**69,298**	**6,232**
MRP & sinking fund movement reported to			6,025									
			2,212									
Not Reported to Management												
Repairs utilised from Earmarked Reserves												
Capital write-offs			(56)									
Deficit per Management Accounts			2,156									

30 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 2018/19 financial year and its position at the year-end of 31 March 2019. 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 2018/19 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 2018/19 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.

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 District 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 District 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 District 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

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 2019 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.

Events after the Reporting Period

There were no events occurring after 31st March 2019 which require adjustment to the Council's financial statements or additional disclosures.

The Chief Financial Officer authorised these financial statements for issue on