



**Causeway  
Coast & Glens  
Borough Council**

**Annual Financial Statements for the year ended 31 March 2018**

<b>Table of Contents</b>	<b>Page No</b>
Narrative Report	1
Financial Performance	6
Statement of the Council's and Chief Financial Officer's Responsibilities for the Statement of Accounts	16
Annual Governance Statement	17
Significant Governance Issues	28
Certificate of the Chief Financial Officer	31
Remuneration Report For The Year Ended 31 March 2018	32
Independent Auditor's Report to the Members of the Council	37
The Movement in Reserves Statement	40
The Comprehensive Income and Expenditure Statement	41
The Balance Sheet	42
The Cashflow Statement	43
Notes to the Financial Statements	44
1 Expenditure and Funding Analysis	44
a Summary Adjustments	44
b Analysed Adjustments Current Year	45
c Analysed Adjustments Prior Year	45
2 Transfers to and from Earmarked Reserves (General Fund Appropriations)	46
3 Income and Expenditure by Nature - Current Year	47
a Current Year	47
b Prior Year	48
4 Cost of services on continuing operations	49
a Miscellaneous powers to make payments	49
b External audit fees	49
5 Operating and Finance Leases	49
a Finance Leases (Council as lessor)	49
b Operating Lease (Council as lessor)	49
c Finance Leases (Council as lessee)	50
d Operating Lease (Council as lessee)	50
6 Employee Costs and Members Allowances	51
a Staff Costs	51
b Average Number of Employees	51
c Senior Employee's Remuneration	51
d Exit Packages	52
e Northern Ireland Civil Service Pension Arrangements	52
7 Other Operating Expenses	53
8 Financing and Investment Income and Expenditure	53
9 Taxation and Non-Specific Grant Income	53
10 Fixed Assets	54
a Current Year Cost, Depreciation and Net Book Values	54
b Prior Year Cost, Depreciation and Net Book Values	55
c Effects on Revaluation Reserve	56
d Impairments charged to Comprehensive Income and Expenditure Account	57
e Carrying amount of Fixed Assets Disposed	58
f Derecognition - Other	58
g Heritage Assets	58
h Fair Value Hierarchy for Surplus Assets	58
i Valuation Process for Investment Property	59
j Intangible Assets	59
11 Debtors	60
a Long-Term Debtors	60
b Short-Term Debtors	60
c Ageing of trade debtors	60
12 Investments	61
13 Inventories	61
14 Borrowings	61
a Short-Term Borrowing	61
b Long-Term Borrowing	61
c Analysis of Borrowings by type	61
15 Capital Expenditure	62
16 Future Capital Commitments	62

Table of Contents	Page No
17 Creditors	63
a Short-Term Creditors	63
b Long-Term Creditors	63
c Payment of invoices	63
18 Provisions	64
a Current Year Provisions	64
b Comparative Year Provisions	64
19 Financial Instruments	65
20 Retirement Benefits	66
a Participation in Northern Ireland Local Government Officers' Pension Fund	66
b Transactions relating to retirement benefits - Comprehensive Income and Expenditure	66
c Assets and liabilities in relation to retirement benefits	67
d Scheme History	68
e Basis for estimating assets and liabilities	69
f Major categories of plan assets as a percentage of total plan assets	69
g Sensitivity Analysis	70
h Northern Ireland Civil Service Pension Arrangements	70
21 Donated Assets Account	71
a Donated Asset Account	71
b Analysis of Donated Asset Account	71
22 Capital grants received in advance	71
a Capital grants received in advance	71
b Analysis of Capital grants received in advance	71
23 Contingencies	72
24 Notes to the cash flow statement	72
a Analysis of adjustments to surplus/deficit on the provision of services	72
b Investing and Financing Activities	73
c Cash and cash equivalents	73
d Cash flows from operating activities	73
e Cash flows from investing activities	73
e Cash flows from financing activities	73
25 Usable Reserves	74
a Capital Receipts Reserve	74
26 Unusable Reserves	75
a Capital Adjustment Account	75
b Revaluation Reserve	76
c Investment Property Revaluation Reserve	76
d Pension Reserve	77
e Capital Receipts Deferred Account	77
f Accumulated Absences Account	77
g Provisions Discount Rate Reserve	77
h Landfill Regulations Reserve	78
h Total Unusable Reserves	78
27 Significant Trading Operations	79
28 Agency Services	79
29 Related Party Transactions	79
a Community Group payments greater than £5,000.	80
b Community Group payments less than £5,000 but including Council representation .	81
c Group or Joint Committees payments where Council is a member	82
d Payments to Other Councils	82
e Department for Communities ( formerly known as the Department of Environment)	82
f Causeway Coast and Glens Policing and Community Safety Partnership	82
g Staff Savings Scheme	82
h Employee Car Loans	82
30 a Detailed Income and Expenditure Analysis Leisure and Development	83
b Detailed Income and Expenditure Analysis Environmental Services	84
c Detailed Income and Expenditure Analysis Corporate Policy and Resources	85
d Detailed Income and Expenditure Analysis Planning Services	86
e Detailed Income and Expenditure Analysis Annual Adjustments	86
31 Accounting Background	87
a Accounting Policies	87
b Accounting Standards that have been issued but not yet adopted	104
c Critical Judgements in Applying Accounting Policies	104
d Assumptions made about the future and other major sources of estimation uncertainty	104
Accounts Authorised for the Issue Certificate	105

## **Narrative Report**

### **Introduction**

The Council's financial performance for the year ended 31 March 2018 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 2017/2018 (the Code) and the Department for Communities Accounts Direction, Circular LG 05/2018 dated 9th March 2018. 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 2017/2018 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 forward look at the issues that have affected the Council's development, performance and position during 2017/18 and are likely to impact in the future.

### **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 £60m. It is structured into 3 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.

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 £1.7million worth of financial efficiencies in the 2018/19 financial year.

### **Objective 2 - Increased levels of physical activity in CCG 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 leads to a community of people who are more resilient and better equipped to deal with the tests of life.

### **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.

### **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.

**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
- 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

**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. 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 40, 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 Balance 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 41, 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 42, 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 43, 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 Statement.

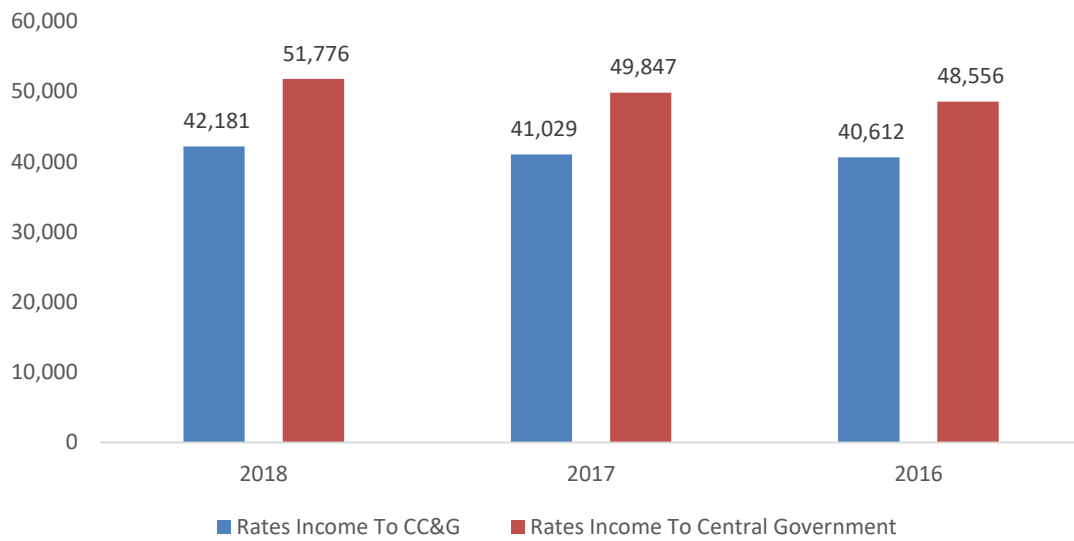
Whilst this does not constitute a core financial statement, its significance is recognised by its inclusion as Note 1 to the accounts on page 44.

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



## Financial Performance

Rates Split £'000's



	2018	2017	2016
	%	%	%
Council's share of Rates Collected	44.89	45.15	45.55
Central Government's share of Rates Collected	55.11	54.85	54.45
	100.00	100.00	100.00
Increase in Council Rate	0.00%	0.00%	1.50%
Increase in Central Government Rate	1.60%	1.70%	1.40%
Inflation Rates	2.97%	1.92%	1.64%

**Outturn**

For the year ended 31 March 2018 the Council's General Fund decreased by £(1,234,660) to £6,641,152. The Council's budget of £45,250,000 was supplemented by £1,056,494 for current year finalisation of rates income. The total net expenditure reported in the Comprehensive Income and Expenditure Statement is £55,632,095.

	2017/2018	2016/2017
	£	£
Movement In General Fund	(1,234,660)	(2,136,057)

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

		2017/2018	2016/2017
		£	£
Increase in Landfill Provisions	18a / 18b	(1,639,078)	(1,137,405)
Mitigation of Landfill Provision from Landfill Regulation Reserve & Provisions Discount Rate Reserve	26g / 26h	1,511,951	198,770
Rates Finalisation	9	1,056,494	(7,124)
Transfers to Usable Reserves excluding Sinking Fund	2	(231,143)	(670,950)
Staff Severance Payments	6a	(348,551)	(945,906)
(Adverse) / Favourable Services Income / Expenditure		(1,584,333)	426,558
<b>Current year variances from budget estimates</b>		<b>(1,234,660)</b>	<b>(2,136,057)</b>

**Net Cost of Services**

		2017/2018				2016/2017	
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
		£	£	£	£	£	£
Leisure and Development	30a	17,321,056	7,415,844	9,905,212	17,318,817	8,757,777	8,561,040
Environmental Services	30b	27,307,914	5,425,632	21,882,282	27,106,585	6,568,847	20,537,738
Corporate Policy & Resources	30c	8,210,036	462,102	7,747,934	8,786,774	670,172	8,116,602
Planning	30d	1,875,870	1,392,086	483,784	1,803,700	1,336,467	467,233
<b>Direct Cost of Services</b>	<b>30d</b>	<b>54,714,876</b>	<b>14,695,664</b>	<b>40,019,212</b>	<b>55,015,876</b>	<b>17,333,263</b>	<b>37,682,613</b>
Annual Accounting Adjustments	30e	16,258,153	4,474,199	11,783,954	10,378,733	458,112	9,920,621
<b>Net Cost of Services - CIES</b>		<b>70,973,029</b>	<b>19,169,863</b>	<b>51,803,166</b>	<b>65,394,609</b>	<b>17,791,375</b>	<b>47,603,234</b>

**Comparison of Gross Expenditure**

		2017/2018	2016/2017	2017/2018	2016/2017
		Gross Expenditure	Gross Expenditure	Gross Expenditure	Gross Expenditure
		£	£	%	%
Leisure and Development		17,321,056	17,318,817	31.66	31.48
Environmental Services		27,307,914	27,106,585	49.91	49.27
Corporate Policy & Resources		8,210,036	8,786,774	15.02	15.97
Planning		1,875,870	1,803,700	3.43	3.28
		<b>54,714,876</b>	<b>55,015,876</b>	<b>100.02</b>	<b>100.00</b>

**Comparison of Gross Income**

		2017/2018	2016/2017	2017/2018	2016/2017
		Gross Income	Gross Income	Gross Income	Gross Income
		£	£	%	%
Leisure and Development		7,415,844	8,757,777	50.47	50.53
Environmental Services		5,425,632	6,568,847	36.92	37.90
Corporate Policy & Resources		462,102	670,172	3.14	3.86
Planning		1,392,086	1,336,467	9.47	7.71
		<b>14,695,664</b>	<b>17,333,263</b>	<b>100.00</b>	<b>100.00</b>

**Income and Expenditure by Type**

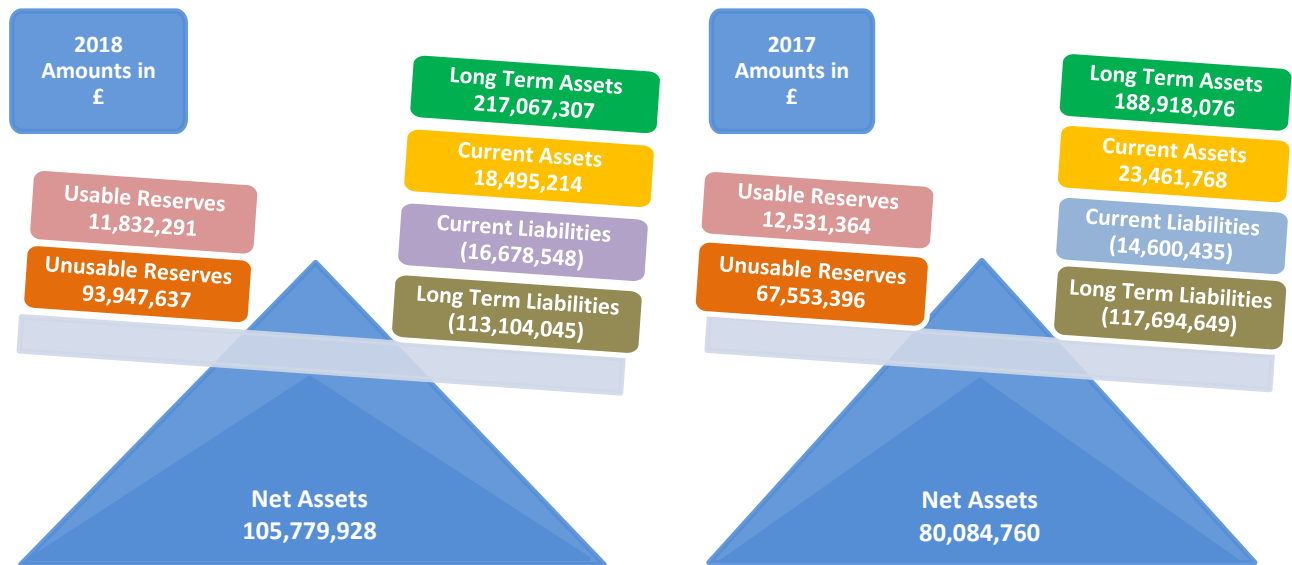
	Notes	2017/2018		2016/2017	
		£	%	£	%
<b>Expenditure</b>					
Our People	3a & b	28,884,436	40.70	28,725,934	43.94
Our Councillors	3a & b	921,651	1.30	907,963	1.39
Our Premises	3a & b	5,078,663	7.16	5,937,736	9.08
Our Vehicles	3a & b	2,651,191	3.74	2,688,355	4.11
Our Suppliers	3a & b	10,849,621	15.29	11,124,805	17.01
Third Party Payments	3a & b	2,844,734	4.01	3,153,046	4.82
Support Services	3a & b	1,458,945	2.06	1,293,044	1.98
Contributions to Provisions	3a & b	2,025,635	2.85	1,184,993	1.81
<b>Total Service Expenditure before Annual Adjustments</b>	<b>3a &amp; b</b>	<b>54,714,876</b>	<b>77.11</b>	<b>55,015,876</b>	<b>84.14</b>
Depreciation	3a & b	8,076,800	11.38	7,569,299	11.57
Impairment Losses	3a & b	6,014,034	8.47	1,853,440	2.83
REFCUS	3a & b	60,000	0.08	468,378	0.72
REFCUD	3a & b	0	0.00	(314,469)	(0.48)
<b>Capital Adjustments</b>	<b>3a &amp; b</b>	<b>14,150,834</b>	<b>19.93</b>	<b>9,576,648</b>	<b>14.64</b>
Pension Adjustments	3a & b	2,188,000	3.08	820,000	1.25
Accumulated Absences	3a & b	(80,681)	(0.11)	(17,915)	(0.03)
<b>Pension and Other Adjustments</b>	<b>3a &amp; b</b>	<b>2,107,319</b>	<b>2.97</b>	<b>802,085</b>	<b>1.22</b>
<b>Total Service Expenditure after Annual Adjustments</b>	<b>CIES</b>	<b>70,973,029</b>	<b>100.01</b>	<b>65,394,609</b>	<b>100.00</b>
<b>Income</b>					
Revenue Grants	3a & b	2,326,278	12.14	3,830,393	21.53
Customer and Client Receipts	3a & b	12,369,386	64.53	13,502,870	75.90
<b>Total Service Income before Annual Adjustments</b>	<b>3a &amp; b</b>	<b>14,695,664</b>	<b>76.67</b>	<b>17,333,263</b>	<b>97.43</b>
Impairment Reversal - Capital Adjustments	3a & b	4,474,199	23.34	458,112	2.57
Impairment Reversal - Capital Adjustments				0	0.00
<b>Capital Adjustments</b>		<b>4,474,199</b>	<b>23.34</b>	<b>458,112</b>	<b>2.57</b>
<b>Total Service Income after Annual Adjustments</b>	<b>CIES</b>	<b>19,169,863</b>	<b>100.01</b>	<b>17,791,375</b>	<b>100.00</b>
<b>Cost of Services on Continuing Operations</b>	<b>CIES</b>	<b>51,803,166</b>		<b>47,603,234</b>	
<b>Other Income and Expenditure</b>					
Other Operating Expenditure	CIES	530,597	(1.16)	1,260,675	(2.98)
Interest Payable	CIES	3,989,598	(8.75)	4,069,217	(9.61)
Investment Income	CIES	(691,267)	1.52	(1,640,837)	3.87
Taxation and Non Specific Grant Income	CIES	(49,399,947)	108.39	(46,038,986)	108.72
<b>Total Other Income and Expenditure</b>	<b>CIES</b>	<b>(45,571,019)</b>	<b>100.00</b>	<b>(42,349,931)</b>	<b>100.00</b>
<b>Deficit on Provision of Services</b>	<b>CIES</b>	<b>(6,232,147)</b>		<b>(5,253,303)</b>	

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

	Notes	2017/2018	2016/2017
		£	£
Repairs and Renewals Fund	2	(37,643)	(370,280)
Sinking Fund	2	(304,444)	(304,444)
Election Reserve	2	(50,000)	(50,000)
Area Planning Reserve	2	(20,000)	(20,000)
Reorganisation Reserve	2	(123,500)	(230,670)
	<b>2</b>	<b>(535,587)</b>	<b>(975,394)</b>

**Financial Position**

Net Assets £105,779,928 (2017 -£80,084,760).

**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 £6,176,337 during the year - (Note 10a refers). The main items of capital expenditure are set out below.

These include in year investment by the Council of almost £1m to bring to near completion Northern Ireland's first Enterprise Zone, the Atlantic Link Enterprise Campus adjacent to the Ulster University Coleraine Campus. This initial 20 acre site, aimed at foreign direct investment in the local digital economy, will offer prospective business investors enhanced capital allowances and the fastest trans-Atlantic high speed fibre connectivity.

	2017/2018	2016/2017
	£	£
Enterprise Zone	937,111	2,084,879
Public Realm Schemes	839,799	411,974
Ballycastle,Portrush,Portballintrae and Portandhu Harbours	650,343	229,947
Refuse Vehicles	603,050	293,501
Brown Bin Project	358,084	
Plant and Equipment	266,167	170,804
Riada Play Fields	237,497	447,122
Festive Lighting	230,305	
ICT Equipment including Intangible Licences	188,184	231,753
Other Vehicles	165,612	392,368
Car Parks	156,247	
Various Building	134,718	50,671
The Crescent Capital Project	126,315	
Coleraine Marina	125,208	
North Pier Portrush	124,529	
Park Nursery	111,811	
LED Lighting	110,279	
Dungiven Sports and Community Project	104,586	2,735,824
Landfill Site Lands	105,300	
Portrush Town Hall	104,586	
Caravan Park Upgrades	18,506	671,271
Diversity Play Park	0	366,402
Sundry	478,100	820,017
	<b>6,176,337</b>	<b>8,906,533</b>

**Sources of Finance for Capital Expenditure**

Sources of Finance for Capital Expenditure	2017/2018	2016/2017
	£	£
New Loans	0	9,143,575
Capital Grants	3,038,908	918,929
Direct Revenue Financing	55,594	1,101,805
<b>Total Sources of Financing</b>	<b>3,094,502</b>	<b>11,164,309</b>

**Borrowings**

Council did not draw down any new loans in the current financial year and its total borrowings at the year end were £69,089,313.

The Council intends to redeem Commercial Loans worth £2,458,250 in 2018/19. They also plan to draw down Government Loans of £9,274,000 to fund the following items of capital spend.

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

The Council's net debt position is as follows:

Net Debt	2017/2018	2016/2017
	£	£
Short Term Borrowing	6,907,359	4,775,317
Long Term Borrowing	62,181,954	69,089,313
<b>Total Borrowings</b>	<b>69,089,313</b>	<b>73,864,630</b>
Cash and Cash Equivalents	11,281,754	15,624,071
<b>Total Investments and Cash Equivalents</b>	<b>11,281,754</b>	<b>15,624,071</b>
<b>Total Net Debt</b>	<b>57,807,559</b>	<b>58,240,559</b>

### Provisions

During the year, landfill provisions showed an increase of £1,639,078. Of this, £127,127 was due to revisions to closure plans and capacity remaining, as advised by the Councils landfill engineering specialists. The remainder £1,511,951 was the result of changes to the discount factors the Council is required to apply to long term provisions. (Note 18a refers).

Council continues to re-organise and the Staff Severance Scheme remains part of this process. Accordingly a provision for approved severance payments of £199,599 was made in year (2017-£308,481).(Note 18a refers)

### Pensions

As a consequence of Local Government Reform Planning staff previously employed by Central Government became employees of the Causeway Coast and Glens Borough Council. These staff remain members of the Civil Service Pension Scheme and contributions of £207,912 (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 £3,194,990 (2017-£3,131,124) in regular payments to this scheme together with payments of £408,231 (2017- £620,539) in respect of early year retirement payments. The NILGOSC pension liability increased by £3,302,000 from £33,196,000 to £36,498,000 (Note 20b to the accounts refers).



### Significant changes in Accounting Policies

Subsequent to CIPFA led, UK wide consultation "Telling the story", SerCop segmental reporting was abandoned in favour of segmental reporting which reflected each individual Local Authority's internal reporting structures.

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 (Note30 refers).

Comparative figures in the CIES have been restated but the Movement in Reserves Statement, Balance Sheet and Cashflow Statements remain unaffected by this change in policy.



\* 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 and 30d.

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

**Outlook****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 out 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 Audit Committee on 19th September 2018.

**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.

**Causeway Coast and Glens Borough Council****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 CIPFA/SOLACE Framework Delivering Good Governance in Local Government. This statement explains how Causeway Coast and Glens Borough Council meets the requirements of Regulation 4 of the Local Government (Accounts and Audit) Regulations (Northern Ireland 2015) in relation to the publication of a statement on internal control.

**The Purpose of the Governance Framework**

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 at Causeway Coast and Glens Borough Council for the year ended 31 March 2018 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 involves taking the outcomes identified within the Plan and working up a Delivery Plan which will identify actions necessary to achieve the Population Outcomes in the Plan. This work commenced in June 2017, and finalised in June 2018 with the launch of the Delivery Plan for the Community Plan.

This Delivery Plan identifies 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 other appropriate organisations. The next phase of the process will be implementation of a monitoring and reporting process overseen by the Strategic Partnership.

## 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; and
- 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 Councils 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 Management Team (SMT). The Corporate Risk Register is updated by SMT 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 implemented a new Comments, Complaints and Compliments Policy during the 2017/18 year and streamlined associated processes. A copy of the policy is available on 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.

**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.

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

In terms of decision making, all decisions taken by Committee are ratified by full council, with the exception of Planning Committee which has full council powers. There are 5 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. During the 2017/18 year Council developed and circulated a Citizens Newsletter, which will now be produced twice per annum.

## **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", prepared by the Local Government Staff Commission. 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.

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.

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.

Mandatory training was provided to all staff in terms of Code of Conduct during the 2015/16 year.



**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. A review of the Standing Orders was carried out during the year and were agreed by Council in February 2018. 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 & 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 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. There is currently another review ongoing.

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.

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. Internal audit facilitate a Risk Management Workshop once per annum. This is attended by all of the Strategic Management Team, along with Heads of Service with responsibility for operational issues. The output from this annual workshop forms the basis for the areas subject to Internal Audit for the year. The Corporate Risk Register is reviewed by Senior Management Team and presented to the Audit Committee Quarterly.

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. 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 2018/19 were prepared and approved by Causeway Coast and Glens Borough Council in February 2018 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 four occasions between April 2017 and March 2018, this included Internal Auditor and Local Government Audit representation (An open invitation is extended to NIAO 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 2017-18 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 has a shared legal service with Derry City and Strabane District Council based on a Service Level Agreement (SLA) agreed by Council in February 2015. Derry and Strabane District Council provides legal services to the Causeway Coast and Glens Borough Council under the terms agreed within the SLA and as part of the arrangement will base an Assistant Solicitor with Causeway Coast and Glens District Council.

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

The financial management arrangements conform with the governance requirements of CIPFA Statement on the Role of the Chief Financial Officer (CFO) 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 s/he is advised to contact the Northern Ireland Ombudsman.

During the year-ending March 2018, no 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. Council has allocated appropriate budget for the remainder of the Council term.

Alongside the Elected Member Development a Leadership and Management Development framework is currently being developed for staff. A range of both mandatory and service specific training and development has been delivered during the year, in liaison with Managers and employees.

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

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 over 600 Requests for Information requests received throughout the year.

**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 2017/18 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 2017/18
- **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 Performance, relevant officers, Internal Audit and External Audit.
- **Internal Audit** – During 2017/18 Internal Audit 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 (CC&G) is fully committed to the principles of corporate governance. The senior management team (SMT) 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 was presented to Audit Committee in March 2018.

Based on audit work undertaken by Internal Audit during 2017/18, 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. This represents a significant improvement on the previous 2016/17 limited assurance.

In total, 16 areas across the Council were subject to Internal Audit during the year, all receiving a satisfactory level of assurance. The recommendations contained within all of the Internal Audit reports have been accepted by Management and will be implemented during the 2018/19 year, with a quarterly progress report presented to Audit Committee.

In the year-ending 31 March 2017, 8 issues were declared in terms of governance issues. Significant progress has been made in each of the areas, as outlined below

**1 Financial Risk**

There are a number of Financial Risks both external and internal. The uncertainty in the wider political environment and potential spending reductions in the public sector remains a key Governance issue for the Council. All Internal Audit recommendations previously agreed have now been implemented, as detailed in progress reports presented to Committee on a quarterly basis

**2 Harmonisation of Terms and Conditions, Policies and Procedures**

Four legacy Councils merged to form Causeway Coast and Glens Borough Council (CC&G), along with the transferred function of Planning Service. This resulted in a host of legacy Policies and Procedures, different Terms and Conditions transferring to CC&G.

A number of governance issues follow this process, particularly in terms of harmonisation of terms and conditions, and alignment of policies and procedures.

Work has progressed during the year and the audit is nearing completion. On completion, this will be presented to the relevant committee, for consideration.

### **3 Information Governance and General Data Protection Regulations**

The recommendations agreed in the previous audit are being implemented. With General Data Protection Regulations (GDPR) coming into force on the 25th May 2018, work has progressed in terms of preparing for the demands of the new Regulations. The risk of non-compliance has significant consequences in terms of fines and reputation for Council.

With the General Data Protection Regulations (GDPR) coming into force on the 25th May 2018, work has commenced in terms of preparing for the demands of the new Regulations. The risk of non-compliance has significant consequences in terms of fines and reputation for Council.

The Information and Security Management Group (ISMG) continue to meet on a monthly basis, to ensure compliance with the Regulations.

### **4 Security Threats to ICT Systems**

There is a daily growing threat to Councils ICT Systems. Council have protections in place - firewalls, anti-virus software, and on-going patches – but as long as there is engagement with the external world, via email and WEB access, there will always be an element of risk.

The risk of a so-called cyber-attack is a significant threat to the organisation. A successful attack could cripple the Council in multiple ways: no communication, be it by via email, telephone (mobile and landline); no or delayed payment to staff and creditors and with associated risks; bookings/calendars not available, etc.

As with the risks, the defences are also multi-faceted. Council have invested in relevant software products to seek to protect the organisation from viruses and hacking respectively. These are installed in multiple points of vulnerability, such as servers, PCs and mobile technology. Council will continue to invest in the skillsets and training of both the ICT Security team and the staff themselves.

### **5 Legal Issues**

There are a number of cases across the Council where legal action is in progress. These cases are summarised and presented to Audit Committee on a quarterly basis, and progressed on a priority basis.

### **6 Land and Property – Asset Management**

The Land and Property Sub-Committee established in 2016/17, made up of 8 members of the Corporate Policy and Resources Committee, met on a monthly basis during the year to deal with Land and Property matters. The sub-committee report through Corporate Policy and Resources and deal with a range of both Strategic and Operational Issues. Initial work has commenced on an Asset Management Strategy. This will be presented to Council in due course on completion.

### **7 Performance Improvement**

Part 12 of the Local Government Act 2014, introduces new statutory continuous improvement responsibilities following Local Government Reform. The Council received a letter of assurance from the NIAO, that the Council discharged its duties in connection with (1) improvement planning and (2) publication of improvement information in accordance with section 92 of the Act and has acted in accordance with the Department for Communities' guidance sufficiently, including its guidance on the publication of improvement information in 2016/2017. The Council had initially identified lack of resources as a risk to implementing the Performance Improvement Duty. A Performance and Transformation Officer was appointed during the year.



An Efficiency Sub-Committee was established during 2017/18, with its main purpose is to ensure that the Council's financial arrangements deliver the best services for our citizens, by seeking to improve efficiency, economy and effectiveness.

## 8 Waste Management

The abandonment of the NWRWMG Regional Waste Infrastructure Project creates increased risk of not meeting the statutory recycling and diversion from landfill targets leading to potential infraction fines and a loss of confidence. This is mitigated by having long and short term waste service contracts in place to maximise recycling and recovery of material and minimising waste to landfill. The uncertainty following the BREXIT vote adds further complication to future targets for recycling and diversion from landfill.

### Significant Governance Issues for the Year-End 2018

The significant governance issues for 2017/18 were identified through the review of Corporate Risk Register, consideration of events/issues raised at both SMT meetings and Council.

The most significant issues for the Council are in relation to

- a Legal Challenges to the decision making process – particularly Planning
- b Financial Challenges, in terms of external funding impacts on rates, and funding pressures which may result in overspend or reduction in services
- c Rapidly growing Tourism places strain on Infrastructure
- d Harmonisation/Standardisation of terms and conditions
- e Waste Management, updated to Recycling Target are not met

Council proposes to enhance governance arrangements during the coming year, 2018/19, 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 use 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  
Causeway Coast and Glens Borough Council

Date : 19 September 2018

Signed



Chair of the Audit Committee  
Causeway Coast and Glens Borough Council

Date : 19 September 2018

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 2018 on pages 40 to 105 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 87 to 104.
- (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 31 March 2018.



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

Date : 19 September 2018

**Council Approval of Statement of Accounts**

These accounts were approved by resolution of the Council Audit Committee on 19 September 2018.



**Paudie McShane**  
**Chairperson**

Date : 19 September 2018



## **Northern Ireland Local Government Bodies' Remuneration Report For The Year Ended 31 March 2018**

### **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 2017 were issued by the Department for Communities on 6 July 2016 (Circular LG 14/2016). 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 2017/2018.

#### **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 2017/2018, 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 2017/2018 (audited information)**

Allowance Type	2017/2018		2016/2017	
	Total Allowances	Councillor	Total Allowances	Councillor
	£	Nos	£	Nos
Basic Allowance	581,685	41	573,682	40
Special Responsibility Allowances	27,150	20	29,383	19
Mayor's Allowance	12,217	2	12,000	1
Deputy Mayor's Allowance	5,217	2	5,000	1
Dependents' carers allowance	241	1	3,525	1
Mileage	47,700	27	31,558	0
Public Transport and Other Travel Incidentals	5,322	12	2,007	0
Subsistence (including accomodation)	3,537	9	4,393	0
<b>Total Allowances</b>	<b>683,069</b>		<b>661,548</b>	

Details of the allowances paid to individual councillors in 2017/2018 are published on the council website at:

[https://www.causewaycoastandglens.gov.uk/uploads/policies/Councillors Allowances 2017 2018.pdf](https://www.causewaycoastandglens.gov.uk/uploads/policies/Councillors_Allowances_2017_2018.pdf)

**Remuneration Of Senior Employees**

The remuneration of senior employees covers the Senior Management Team. The following table provides details of the remuneration paid to senior employees in 2017/2018:

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

Officers	2017/2018				2016/2017			
	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 <i>Mr D Jackson</i>	110 to 115	0	0	110 to 115	100 to 105	0	0	100 to 105
Director of Corporate Services <i>Mrs M Quinn</i>	85 to 90	0	0	85 to 90	80 to 85	0	0	80 to 85
Director of Leisure and Development <i>Mr R Baker</i>	80 to 85	0	0	80 to 85	75 to 80	0	0	75 to 80
Director of Environmental Services <i>Mr A McPeake</i>	80 to 85	0	0	80 to 85	75 to 80	0	0	75 to 80
Chief Finance Officer <i>Mr D Wright</i>	55 to 60	0	0	55 to 60	55 to 60	0	0	55 to 60
Head of Planning <i>Mrs D Dickson</i>	55 to 60	0	0	55 to 60	55 to 60	0	0	55 to 60

Councils are required to disclose the relationship between the remuneration of the highest paid member of the Executive Management Team/Senior Management Team and the median remuneration of the Councils workforce.

The banded remuneration of the highest paid member of the Executive Management Team/Senior Management Team in the financial year 2017/2018 was £110,000 to £115,000. This was 5.23 times the median remuneration of the workforce, which was £21,232.

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

	2017/2018	2017/2018	2016/2017	2016/2017
	£	Ratio	£	Ratio
Median Total Remuneration	21,232	5.23	21,582	4.73

In 2017/2018, and 2016/2017, no employee received remuneration in excess of the highest paid member of the Senior Management 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 2017/2018.

#### 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 2017/18.

#### Exit Packages for staff

The number of exit packages provided to all staff by the Council during 2017/2018 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 2017/2018 (audited information)**

Severance Package Cost Band	2017/2018						2016/2017	
	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	3	3	8,683	0	1	1	1,355
£20,001 to £40,000	0	0	0	0	0	1	1	39,541
£40,001 to £60,000	0	0	0	0	0	2	2	97,084
£60,001 to £80,000	0	1	1	60,024	0	1	1	71,702
£80,001 to £100,000	0	0	0	0	0	0	0	0
£100,001 to £150,000	0	2	2	279,844	0	3	3	375,096
£150,001 to £200,000	0	0	0	0	0	2	2	361,128
<b>Totals</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>348,551</b>	<b>0</b>	<b>10</b>	<b>10</b>	<b>945,906</b>

### Pension Benefits

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

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

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

The Scheme is funded by contributions made by both employees/councillors and employers. 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 2017, were as follows:

**Table 5: Employee Contribution Rates**

Band	Salary Range	Employee Contribution Rate
	£	%
1	£0 - £14,100	5.50%
2	£14,101 - £21,500	5.80%
3	£21,501 - £35,900	6.50%
4	£35,901 - £43,400	6.80%
5	£43,401 - £85,800	8.50%
6	More than £85,800	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 Contribution Rate
	%
1 April 2017 - 31 March 2018	18.00%
1 April 2018 - 31 March 2019	19.00%
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 £91,454 (2017- £101,780).

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 2017/2018 (audited information)**

Officers	Accrued Pension at	Real increase in pension and related lump sum at pension age	CETV at	CETV at	Real Increase in CETV
	Pension age as at 31/03/18 and related lump sum		31/03/18	31/03/17	
	£'000's	£'000's	£'000's	£'000's	£'000's
Chief Executive	15 to 20	0 to 2.5			
<i>Mr D Jackson</i>	5 to 10	5 to 10	194	159	19
Director of Corporate Services	20 to 25	0 to 2.5			
<i>Mrs M Quinn</i>	25 to 30	0 to (2.5)	297	267	13
Director of Leisure & Development	25 to 30	0 to 2.5			
<i>Mr R Baker</i>	0	0	319	287	16
Director of Environmental Services	25 to 30	0 to 2.5			
<i>Mr A McPeake</i>	35 to 40	0 to (2.5)	271	243	13
Chief Finance Officer	15 to 20	0 to 2.5			
<i>Mr D Wright</i>	20 to 25	0 to (2.5)	223	201	11
Head of Planning	10 to 15	0 to 2.5			
<i>Mrs D Dickson</i>	30 to 35	0 to 2.5	212	185	13

#### 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.

**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 31 March 2018 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.

**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 2017-18, of the financial position of the Causeway Coast and Glens Borough Council as at 31 March 2018 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 statements.

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

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

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

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

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](http://www.frc.org.uk/auditorsresponsibilities) This description forms part of my certificate.

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

**Matters on which I report by exception**

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

- the Annual Governance Statement
  - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2017-2018,
  - 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 Causeway Coast and Glens Borough Council, in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.



Pamela McCreedy  
Local Government Auditor  
Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU  
Date: 27th September 2018

## Core Financial Statements

## The Movement in Reserves Statement (MIRS)

		General Fund Summary £	Other Fund Balances & Reserves £	Capital Receipts Reserve £	Total Usable Reserves £	Total Unusable Reserves £	Total Council Reserves £
<b>At 31 March 2016</b>		<b>10,011,869</b>	<b>3,680,158</b>	<b>1,340,120</b>	<b>15,032,147</b>	<b>74,060,708</b>	<b>89,092,855</b>
<b>Movement in reserves during the year</b>							
(Deficit) on the provision of services	CIES	(5,253,303)	0	0	(5,253,303)	0	(5,253,303)
Other Comprehensive Income and Expenditure	CIES	0	0	0	0	(3,754,792)	(3,754,792)
<b>Total Comprehensive Income and Expenditure</b>		<b>(5,253,303)</b>	<b>0</b>	<b>0</b>	<b>(5,253,303)</b>	<b>(3,754,792)</b>	<b>(9,008,095)</b>
Adjustments between accounting basis & funding under regulations	26i / 25a	4,092,640	0	(320,778)	3,771,862	(3,771,862)	0
<b>Net increase before transfers to Statutory and Other Reserves</b>		<b>(1,160,663)</b>	<b>0</b>	<b>(320,778)</b>	<b>(1,481,441)</b>	<b>(7,526,654)</b>	<b>(9,008,095)</b>
Transfers (to) / from Statutory and Other Reserves	2	(975,394)	975,394	(1,019,342)	(1,019,342)	1,019,342	0
<b>Increase / (decrease) in year</b>	<b>1a / 2</b>	<b>(2,136,057)</b>	<b>975,394</b>	<b>(1,340,120)</b>	<b>(2,500,783)</b>	<b>(6,507,312)</b>	<b>(9,008,095)</b>
<b>At 31 March 2017</b>	<b>BS</b>	<b>7,875,812</b>	<b>4,655,552</b>	<b>0</b>	<b>12,531,364</b>	<b>67,553,396</b>	<b>80,084,760</b>
(Deficit) on the provision of services	CIES	(6,232,148)	0	0	(6,232,148)	0	(6,232,148)
Other Comprehensive Income and Expenditure	CIES	0	0	0	0	31,927,316	31,927,316
<b>Total Comprehensive Income and Expenditure</b>		<b>(6,232,148)</b>	<b>0</b>	<b>0</b>	<b>(6,232,148)</b>	<b>31,927,316</b>	<b>25,695,168</b>
Adjustments between accounting basis & funding under regulations	26i / 25a	5,533,075	0	35,355	5,568,430	(5,568,430)	0
<b>Net decrease before transfers to Statutory and Other Reserves</b>		<b>(699,073)</b>	<b>0</b>	<b>35,355</b>	<b>(663,718)</b>	<b>26,358,886</b>	<b>25,695,168</b>
Transfers (to) / from Statutory and Other Reserves	2	(535,587)	535,587	(35,355)	(35,355)	35,355	0
<b>Increase / (decrease) in year</b>	<b>1a / 2</b>	<b>(1,234,660)</b>	<b>535,587</b>	<b>0</b>	<b>(699,073)</b>	<b>26,394,241</b>	<b>25,695,168</b>
<b>At 31 March 2018</b>	<b>BS</b>	<b>6,641,152</b>	<b>5,191,139</b>	<b>0</b>	<b>11,832,291</b>	<b>93,947,637</b>	<b>105,779,928</b>

## The Comprehensive Income and Expenditure Statement (CIES)

	Notes	2017/2018				2016/2017 as restated	
		Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
<b>Service Expenditure</b>							
Leisure and Development	3a/3b	26,361,229	10,685,397	15,675,832	23,923,570	9,137,756	14,785,814
Environmental Services	3a/3b	33,387,113	6,163,845	27,223,268	29,749,749	6,646,980	23,102,769
Corporate Policy and Resources	3a/3b	9,302,579	928,535	8,374,044	9,917,590	670,172	9,247,418
Planning	3a/3b	1,922,109	1,392,086	530,023	1,803,700	1,336,467	467,233
<b>Cost of Services on Continuing Operations</b>	<b>3a/3b &amp; 30d</b>	<b>70,973,030</b>	<b>19,169,863</b>	<b>51,803,167</b>	<b>65,394,609</b>	<b>17,791,375</b>	<b>47,603,234</b>
Other Operating Expenditure	7	530,597	0	530,597	890,025	(370,650)	1,260,675
Financing and Investment Income and Expenditure	8	3,989,598	691,267	3,298,331	4,069,217	1,640,837	2,428,380
<b>Net Operating Expenditure</b>		<b>75,493,225</b>	<b>19,861,130</b>	<b>55,632,095</b>	<b>70,353,851</b>	<b>19,061,562</b>	<b>51,292,289</b>
Taxation and Non-Specific Grant Income	9	0	49,399,947	(49,399,947)	0	46,038,986	(46,038,986)
<b>Deficit on the Provision of Services</b>		<b>75,493,225</b>	<b>69,261,077</b>	<b>(6,232,148)</b>	<b>70,353,851</b>	<b>65,100,548</b>	<b>(5,253,303)</b>
Surplus/(Deficit) on revaluation of non-current assets	10c			32,227,316			4,288,616
Remeasurements of the Net Defined Benefit Liability	20b			(300,000)			(8,043,408)
<b>Other Comprehensive Income and Expenditure</b>				<b>31,927,316</b>			<b>(3,754,792)</b>
<b>Total Comprehensive Income and Expenditure</b>				<b>25,695,168</b>			<b>(9,008,095)</b>

**The Balance Sheet (BS)**

	Note	2018	2017
		£	£
Property, Plant and Equipment	10a / 10b	207,767,899	180,654,427
Investment Property	10a / 10b	8,103,250	7,000,000
Intangibles	10a / 10b	21,250	29,357
Long Term Debtors	11a	1,174,908	1,234,292
<b>LONG TERM ASSETS</b>		<b>217,067,307</b>	<b>188,918,076</b>
Assets Held for Sale	10h	910,000	910,000
Inventories	13	134,541	135,888
Short Term Debtors	11b	6,168,919	6,791,809
Cash and Cash Equivalents	24c	11,281,754	15,624,071
<b>CURRENT ASSETS</b>		<b>18,495,214</b>	<b>23,461,768</b>
Short Term Borrowing	14a	6,907,359	4,775,317
Short Term Creditors	17a	9,571,590	9,516,637
Short Term Provisions	18a/b	199,599	308,481
<b>CURRENT LIABILITIES</b>		<b>16,678,548</b>	<b>14,600,435</b>
Long Term Provisions	18a/b	14,315,279	12,676,201
Long Term Borrowing	14b	62,181,954	69,089,313
Other Long Term Liabilities	20c	36,498,000	33,196,000
Donated Assets Account	21	108,812	94,500
Capital Grants Receipts in Advance	22	0	2,638,635
<b>LONG TERM LIABILITIES</b>		<b>113,104,045</b>	<b>117,694,649</b>
<b>NET ASSETS</b>		<b>105,779,928</b>	<b>80,084,760</b>
Capital Receipts Reserve	25a	0	0
General Fund	1a	6,641,152	7,875,812
Earmarked Reserves	2	5,191,139	4,655,552
<b>USABLE RESERVES</b>		<b>11,832,291</b>	<b>12,531,364</b>
Capital Adjustment Account	26a	62,542,572	63,256,144
Revaluation Reserve	26b	65,299,087	40,607,554
Investment Property Revaluation Reserve	26c	7,149,550	0
Pensions Reserve	26d	(36,498,000)	(33,196,000)
Deferred Capital Receipts Account	26e	0	0
Accumulated Absences Account	26f	(419,828)	(500,509)
Provisions Discount Rate Reserve	26g	(1,157,825)	0
Landfill Regulations Reserve	26h	(2,967,919)	(2,613,793)
<b>UNUSABLE RESERVES</b>		<b>93,947,637</b>	<b>67,553,396</b>
<b>NET WORTH</b>		<b>105,779,928</b>	<b>80,084,760</b>

**The Cashflow Statement (CF)**

	Note	2017/2018	2016/2017
		£	£
Deficit on the Provision of Services	CIES	(6,232,148)	(5,253,303)
Adjustment for non-cash movements	24a	15,606,429	13,684,733
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	24b	(3,074,263)	(598,151)
<b>Net cash flows from operating activities</b>		<b>6,300,018</b>	<b>7,833,279</b>
Cash flows from Investing Activities	24e	(5,881,330)	(6,115,326)
Net Cash flows from Financing Activities	24f	(4,761,005)	4,915,605
<b>Net increase or decrease in cash and cash equivalents</b>		<b>(4,342,317)</b>	<b>6,633,558</b>
Cash and cash equivalents at the beginning of the reporting period	24c	15,624,071	8,990,513
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>24c</b>	<b>11,281,754</b>	<b>15,624,071</b>

**1 Expenditure and Funding Analysis****1 a Total Adjustments**

Services	2017/2018			2016/2017		
	Net Expenditure Chargeable to the General Fund- Note 30	Total Adjustments between the Funding and accounting Basis - Note 1b	Net Expenditure in the CIES	Net Expenditure Chargeable to the General Fund- Note 30	Total Adjustments between the Funding and accounting Basis - Note 1c	Net Expenditure in the CIES
	£	£	£	£	£	£
Leisure and Development	9,905,212	5,770,620	15,675,832	8,561,040	6,224,774	14,785,814
Environmental Services	21,882,283	5,340,985	27,223,268	20,537,738	2,565,031	23,102,769
Corporate Policy and Resources	7,747,934	626,110	8,374,044	8,116,602	1,130,816	9,247,418
Planning	483,784	46,239	530,023	467,233	0	467,233
<b>Net Cost of Services</b>	<b>40,019,213</b>	<b>11,783,954</b>	<b>51,803,167</b>	<b>37,682,613</b>	<b>9,920,621</b>	<b>47,603,234</b>
Other Operating Expenditure	0	530,597	530,597	0	1,260,675	1,260,675
Statutory Provision for Capital Investment	6,025,374	(6,025,374)	0	6,110,495	(6,110,495)	0
Financing and Investment Income and Expenditure	2,527,477	770,854	3,298,331	2,686,380	(258,000)	2,428,380
Taxation and Non-Specific Grant Income	(46,361,039)	(3,038,908)	(49,399,947)	(45,120,057)	(918,929)	(46,038,986)
<b>Other Income and Expenditure</b>	<b>(37,808,188)</b>	<b>(7,762,831)</b>	<b>(45,571,019)</b>	<b>(36,323,182)</b>	<b>(6,026,749)</b>	<b>(42,349,931)</b>
<b>Deficit on the Provision of Services</b>	<b>2,211,025</b>	<b>4,021,123</b>	<b>6,232,148</b>	<b>1,359,431</b>	<b>3,893,872</b>	<b>5,253,303</b>

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

	2017/2018	2016/2017
	£	£
Opening General Fund	7,875,812	10,011,869
(Deficit) on the Provision of Services Chargeable to the General Fund	1a (2,211,025)	(1,359,431)
T/fers (to) / from Unusable Reserves	26g / 26h 1,511,952	198,769
T/fers (to) / from Usable Reserves	2 (535,587)	(975,395)
<b>Increase / (decrease) in year</b>	<b>2 / MIRS (1,234,660)</b>	<b>(2,136,057)</b>
<b>Closing General Fund Balance</b>	<b>MIRS 6,641,152</b>	<b>7,875,812</b>

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

	2017/2018	2016/2017
	£	£
Opening Unusable Reserves	67,553,396	74,060,708
(Deficit) on the Provision of Services Chargeable to Unusable Reserves	1a (4,021,123)	(3,893,872)
Other Comprehensive Income	CIES 31,927,316	(3,754,792)
Capital Receipts Reserve	25a 0	1,340,121
T/fers (to) / from Unusable Reserves	26g / 26h (1,511,952)	(198,769)
<b>Increase / (decrease) in year</b>	<b>MIRS 26,394,241</b>	<b>(6,507,312)</b>
<b>Closing Unusable Reserve Balances</b>	<b>MIRS 93,947,637</b>	<b>67,553,396</b>

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

### 1 b Adjustments between the Funding and Accounting Basis by type

					2017/2018	
					Adjustments for Accumulated Absences purposes	Total Adjustments between the Funding and accounting Basis
Services		Adjustments for capital purposes	Adjustments for pension purposes		£	£
					£	£
Leisure and Development	3a	5,025,599	785,906	(40,885)		5,770,620
Environmental Services	3a	4,412,757	955,117	(26,889)		5,340,985
Corporate Policy and Resources	3a	238,279	402,227	(14,396)		626,110
Planning	3a	0	44,750	1,489		46,239
<b>Net Cost of Services</b>	<b>3a</b>	<b>9,676,635</b>	<b>2,188,000</b>	<b>(80,681)</b>		<b>11,783,954</b>
Other Operating Expenditure	7	530,597	0	0		530,597
Statutory Provision for Capital Investment	15	(6,025,374)	0	0		(6,025,374)
Financing and Investment Income and Expenditure	8	(43,146)	814,000	0		770,854
Taxation and Non-Specific Grant Income	9	(3,038,908)	0	0		(3,038,908)
<b>Other Income and Expenditure</b>		<b>(8,576,831)</b>	<b>814,000</b>	<b>0</b>		<b>(7,762,831)</b>
<b>(Surplus) / Deficit on the Provision of Services</b>		<b>1,099,804</b>	<b>3,002,000</b>	<b>(80,681)</b>		<b>4,021,123</b>

### 1 c

					2016/2017	
					Adjustments for Accumulated Absences purposes	Adjustments between the Funding and accounting Basis
Services		Adjustments for capital purposes	Adjustments for pension purposes		£	£
					£	£
Leisure and Development	3b	6,224,774	0	0		6,224,774
Environmental Services	3b	2,565,031	0	0		2,565,031
Corporate Policy and Resources	3b	328,731	820,000	(17,915)		1,130,816
Planning	3b	0	0	0		0
<b>Net Cost of Services</b>	<b>3b</b>	<b>9,118,536</b>	<b>820,000</b>	<b>(17,915)</b>		<b>9,920,621</b>
Other Operating Expenditure	7	1,260,675	0	0		1,260,675
Statutory Provision for Capital Investment	15	(6,110,495)	0	0		(6,110,495)
Financing and Investment Income and Expenditure	8	(1,000,000)	742,000	0		(258,000)
Taxation and Non-Specific Grant Income	9	(918,929)	0	0		(918,929)
<b>Other Income and Expenditure</b>		<b>(6,768,749)</b>	<b>742,000</b>	<b>0</b>		<b>(6,026,749)</b>
<b>(Surplus) / Deficit on the Provision of Services</b>		<b>2,349,787</b>	<b>1,562,000</b>	<b>(17,915)</b>		<b>3,893,872</b>



- i) Adjustments to General Fund Balances to meet the requirements of generally accepted accounting practices, this column adds in depreciation and impairment and revaluation gains and losses in the services line (Note 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 Transfers to and from Earmarked Reserves (General Fund Appropriations)

	01 April 2016	Transfers In	Transfers Out	31 March 2017	Tranfers In	Transfers Out	31 March 2018
	£	£	£	£	£	£	£
Repairs and Renewals	300,000	550,000	179,720	670,280	240,000	202,357	707,923
Sinking Fund	2,933,328	304,444	0	3,237,772	304,444	0	3,542,216
Election Reserve	50,000	50,000	0	100,000	50,000	0	150,000
Area Planning Reserve	20,000	20,000	0	40,000	20,000	0	60,000
Reorganisation	376,830	379,230	148,560	607,500	260,000	136,500	731,000
<b>Totals</b>	<b>3,680,158</b>	<b>1,303,674</b>	<b>328,280</b>	<b>4,655,552</b>	<b>874,444</b>	<b>338,857</b>	<b>5,191,139</b>
<b>Net Transfer (From) / To General Fund</b>				<b>(975,394)</b>			<b>(535,587)</b>

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

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

		2017/2018	2016/2017
		£	£
Adjustments between accounting basis and funding basis under regulations	MIRS/26i	5,533,075	4,092,640
Net Transfer (From) / To General Fund	2	(535,587)	(975,394)
Deficit on the Provision of Services	CIES	(6,232,148)	(5,253,303)
<b>Movement on General Fund</b>	<b>1a</b>	<b>(1,234,660)</b>	<b>(2,136,057)</b>

## 3 a Income and Expenditure by Nature - Current Year

	Leisure and Development - Note 30a	Environmental Services - Note 30b	Corporate Policy and Resources -Note 30c	Planning - Note 30d	2017/2018 Total
	£	£	£	£	£
<b>Service Expenditure</b>					
Our People	9,764,186	12,860,524	4,539,936	1,719,790	28,884,436
Our Councillors	0	0	921,651	0	921,651
Our Premises	2,479,477	1,804,251	755,194	39,741	5,078,663
Our Vehicles	255,760	2,300,110	77,459	17,862	2,651,191
Our Suppliers	4,368,258	5,588,522	815,236	77,605	10,849,621
Third Party Payments	13,264	2,743,312	88,158	0	2,844,734
Support Services	440,111	334,111	663,851	20,872	1,458,945
Contributions to Provisions	0	1,677,084	348,551	0	2,025,635
<b>Total Service Expenditure before Annual Adjustments</b>	<b>17,321,056</b>	<b>27,307,914</b>	<b>8,210,036</b>	<b>1,875,870</b>	<b>54,714,876</b>
<b>Service Expenditure Adjustments</b>					
Depreciation	4,469,415	3,015,436	591,949	0	8,076,800
Impairment	3,825,737	2,135,534	52,763	0	6,014,034
REFCUS	0	0	60,000	0	60,000
<b>Total Capital Adjustments</b>	<b>8,295,152</b>	<b>5,150,970</b>	<b>704,712</b>	<b>0</b>	<b>14,150,834</b>
Pension Adjustments	785,906	955,117	402,227	44,750	2,188,000
Accumulated Absences	(40,885)	(26,889)	(14,396)	1,489	(80,681)
<b>Pension and Accumulated Absences</b>	<b>745,021</b>	<b>928,228</b>	<b>387,831</b>	<b>46,239</b>	<b>2,107,319</b>
<b>Total Service Expenditure after Annual Adjustments</b>	<b>26,361,229</b>	<b>33,387,112</b>	<b>9,302,579</b>	<b>1,922,109</b>	<b>70,973,029</b>
<b>Income</b>					
Service Revenue Grants	1,852,081	376,117	98,080	0	2,326,278
Customer and Client Receipts	5,563,763	5,049,515	364,022	1,392,086	12,369,386
<b>Total Service Income before Annual Adjustments</b>	<b>7,415,844</b>	<b>5,425,632</b>	<b>462,102</b>	<b>1,392,086</b>	<b>14,695,664</b>
<b>Service Income Adjustments</b>					
Impairment Reversal - Capital Adjustments	3,269,553	738,213	466,433	0	4,474,199
<b>Total Service Income after Annual Adjustments</b>	<b>10,685,397</b>	<b>6,163,845</b>	<b>928,535</b>	<b>1,392,086</b>	<b>19,169,863</b>
<b>Cost of Services on Continuing Operations</b>	<b>15,675,832</b>	<b>27,223,267</b>	<b>8,374,044</b>	<b>530,023</b>	<b>51,803,166</b>
Other Operating Expenditure					530,597
Interest Payable					3,989,598
Investment Income					(691,267)
Taxation and Non Specific Grant Income					(49,399,947)
<b>Other Income and Expenditure</b>					<b>(45,571,019)</b>
<b>Deficit on the Provision of Services</b>					<b>(6,232,147)</b>
<b>Summary of Service Adjustments</b>					
Capital Adjustments - Service Expenditure	8,295,152	5,150,970	704,712	0	14,150,834
Capital Adjustments - Service Income	(3,269,553)	(738,213)	(466,433)	0	(4,474,199)
<b>Total Capital Adjustments - Services</b>	<b>1b</b>	<b>5,025,599</b>	<b>4,412,757</b>	<b>238,279</b>	<b>0</b>
Pension Adjustments	785,906	955,117	402,227	44,750	2,188,000
Accumulated Absences	(40,885)	(26,889)	(14,396)	1,489	(80,681)
<b>Total Service Adjustments</b>	<b>1b / 30e</b>	<b>5,770,620</b>	<b>5,340,985</b>	<b>626,110</b>	<b>46,239</b>
					<b>11,783,954</b>

## 3 b Income and Expenditure by Nature - Prior Year

	Leisure and Development - Note 30a	Environmental Services - Note 30b	Corporate Policy and Resources - Note 30c	Planning - Note 30d	2016/2017 Total
<b>Service Expenditure</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Our People	9,074,777	12,562,243	5,493,879	1,595,035	28,725,934
Our Councillors	0	0	907,963	0	907,963
Our Premises	3,298,394	1,936,197	620,156	82,989	5,937,736
Our Vehicles	341,516	2,265,576	59,000	22,263	2,688,355
Our Suppliers	4,075,654	5,841,271	1,111,462	96,418	11,124,805
Third Party Payments	41,034	3,007,431	104,581	0	3,153,046
Support Services	487,442	308,874	489,733	6,995	1,293,044
Contributions to Provisions	0	1,184,993	0	0	1,184,993
<b>Total Service Expenditure before Annual Adjustments</b>	<b>17,318,817</b>	<b>27,106,585</b>	<b>8,786,774</b>	<b>1,803,700</b>	<b>55,015,876</b>
<b>Service Expenditure Adjustments</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Depreciation	4,282,935	2,643,164	643,200	0	7,569,299
Impairment	1,853,440	0	0	0	1,853,440
REFCUS	468,378	0	0	0	468,378
REFCUD	0	0	(314,469)	0	(314,469)
<b>Total Capital Adjustments</b>	<b>6,604,753</b>	<b>2,643,164</b>	<b>328,731</b>	<b>0</b>	<b>9,576,648</b>
Pension Adjustments	0	0	820,000	0	820,000
Accumulated Absences	0	0	(17,915)	0	(17,915)
<b>Pension and Accumulated Absences Adjustments</b>	<b>0</b>	<b>0</b>	<b>802,085</b>	<b>0</b>	<b>802,085</b>
<b>Total Service Expenditure after Annual Adjustments</b>	<b>23,923,570</b>	<b>29,749,749</b>	<b>9,917,590</b>	<b>1,803,700</b>	<b>65,394,609</b>
<b>Income</b>					
Service Revenue Grants	3,237,690	479,534	113,169	0	3,830,393
Customer and Client Receipts	5,520,087	6,089,313	557,003	1,336,467	13,502,870
<b>Total Service Income before Annual Adjustments</b>	<b>8,757,777</b>	<b>6,568,847</b>	<b>670,172</b>	<b>1,336,467</b>	<b>17,333,263</b>
<b>Service Income Adjustments</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Impairment Reversal - Capital Adjustments	379,979	78,133	0	0	458,112
<b>Total Service Income after Annual Adjustments</b>	<b>9,137,756</b>	<b>6,646,980</b>	<b>670,172</b>	<b>1,336,467</b>	<b>17,791,375</b>
<b>Cost of Services on Continuing Operations</b>	<b>14,785,814</b>	<b>23,102,769</b>	<b>9,247,418</b>	<b>467,233</b>	<b>47,603,234</b>
Other Operating Expenditure					1,260,675
Interest Payable					4,069,217
Investment Income					(1,640,837)
Taxation and Non Specific Grant Income					(46,038,986)
<b>Other Income and Expenditure</b>					<b>(42,349,931)</b>
<b>Deficit on the Provision of Services</b>					<b>(5,253,303)</b>
<b>Summary of Service Adjustments</b>					
Capital Adjustments - Service Expenditure	6,604,753	2,643,164	328,731	0	9,576,648
Capital Adjustments - Service Income	(379,979)	(78,133)	0	0	(458,112)
<b>Total Capital Adjustments - Services</b>	<b>1c</b>	<b>6,224,774</b>	<b>2,565,031</b>	<b>328,731</b>	<b>9,118,536</b>
Pension Adjustments	0	0	820,000	0	820,000
Accumulated Absences	0	0	(17,915)	0	(17,915)
<b>Total Service Adjustments</b>	<b>1c / 30e</b>	<b>6,224,774</b>	<b>2,565,031</b>	<b>1,130,816</b>	<b>9,920,621</b>

**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 2017/18 (2016/17 - £0).

**4 b External Audit Fees**

	2017/2018	2016/2017
	£	£
External Audit Fees	53,000	52,000
Performance Audit Fees	20,000	15,778
National Fraud Initiative	0	1,201
	<b>73,000</b>	<b>68,979</b>

**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 £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:

	2017/2018		2016/2017	
	Land and Buildings	Vehicles, Plant and Equipment	Land and Buildings	Vehicles, Plant and Equipment
	£	£	£	£
<b>Minimum lease rentals receivable:</b>				
No later than 1 year	587,966	0	466,112	0
Later than 1 year and no later than 5 years	1,943,138	0	1,821,719	0
Later than 5 years	48,859,311	0	48,411,241	0
	<b>51,390,415</b>	<b>0</b>	<b>50,699,072</b>	<b>0</b>

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

	2017/2018		2016/2017	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Cost	7,989,331	0	6,989,331	0
Reclassifications / Transfers	880,105	0	0	0
Accumulated depreciation and impairments at 1 April	(92,013)	0	(58,355)	0
Depreciation charge for the year	0	0	(33,658)	0
Impairments	0	0	0	0
Revaluations	98,962	0	1,000,000	0
	<b>8,876,385</b>	<b>0</b>	<b>7,897,318</b>	<b>0</b>

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

#### Council as Lessee:

#### 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:

	2017/2018			2016/2017		
	Land and Buildings £	Vehicles, Plant and Equipment £	Total £	Land and Buildings £	Vehicles, Plant and Equipment £	Total £
Minimum lease payments	29,285	59,825	89,110	20,470	59,825	80,295
	<b>29,285</b>	<b>59,825</b>	<b>89,110</b>	<b>20,470</b>	<b>59,825</b>	<b>80,295</b>

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

	2017/2018			2016/2017		
	Land and Buildings £	Vehicles, Plant and Equipment £	Total £	Land and Buildings £	Vehicles, Plant and Equipment £	Total £
<b>Minimum lease rentals payable:</b>						
No later than 1 year	25,125	59,825	84,950	16,310	59,828	76,138
Later than 1 year and no later than 5 years	96,575	239,300	335,875	62,415	239,300	301,715
Later than 5 years	495,608	322,975	818,583	386,717	382,800	769,517
	<b>617,308</b>	<b>622,100</b>	<b>1,239,408</b>	<b>465,442</b>	<b>681,928</b>	<b>1,147,370</b>

**6 a Staff Costs**

	2017/2018	2016/2017
	£	£
Salaries and Wages	16,920,289	17,517,058
Employers NIC	1,534,382	1,575,096
Employers Superannuation	3,104,700	3,131,124
Employers Superannuation - Civil Service Scheme	207,912	216,900
Apprentice Levy	85,011	0
Staff Severance Costs	348,551	945,906
<b>Staff costs</b>	<b>22,200,845</b>	<b>23,386,084</b>

Staff costs charged to the various service headings also include £2,188,000 (2017-£820,000) in respect of actuarial pension adjustments.

In addition to the staff costs noted above Agency Staff costs amounted to £6,550,781 (2017- £5,402,326).

The Council's current contribution rate to the NILGOSC scheme is 18%. At the last actuarial valuation, dated 31 March 2016, the Fund's assets as a whole were sufficient to meet 91% (2010: 82%) of the liabilities accrued up to that date.

**6 b Average Number of Employees**

	2017/2018	2016/2017
	FTE	FTE
Environmental services	315	317
Leisure and Recreational Services	186	181
Planning and Development Services	41	42
Other	89	77
<b>Total Number</b>	<b>631</b>	<b>617</b>

	2017/2018	2016/2017
	Actual Numbers	Actual Numbers
Full-time numbers employed	540	538
Part-time numbers employed	163	205
<b>Total Number</b>	<b>703</b>	<b>743</b>

**6 c Senior Employees' Remuneration**

	2017/2018	2016/2017
Salary Bands	Number	Number
£50,001 to £60,000	17	8
£60,001 to £70,000	1	0
£70,001 to £80,000	0	2
£80,001 to £90,000	3	1
£90,001 to £100,000	0	0
£100,001 to £110,000	0	1
£110,001 to £120,000	1	0
<b>Total Number</b>	<b>22</b>	<b>12</b>

**6 d Exit Packages**

Exit package cost band (including special payments)	2017/2018		2016/2017	
	Compulsory redundancies	Other departures agreed	Compulsory redundancies	Other departures agreed
	Number	Number	Number	Number
£0 to £20,000	0	3	0	1
£20,001 to £40,000	0	0	0	1
£40,001 to £60,000	0	0	0	2
£60,001 to £80,000	0	1	0	1
£80,001 to £100,000	0	0	0	0
£100,001 to £150,000	0	2	0	3
£150,001 to £200,000	0	0	0	2
<b>Total</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>10</b>

	2017/2018		2016/2017	
	Total Number of Exit Packages	Total Value exit packages £	Total Number of Exit Packages	Total Value exit packages £
	Number	£	Number	£
£0 to £20,000	3	8,683	1	1,355
£20,001 to £40,000	0	0	1	39,541
£40,001 to £60,000	0	0	2	97,084
£60,001 to £80,000	1	60,024	1	71,702
£80,001 to £100,000	0	0	0	0
£100,001 to £150,000	2	279,844	3	375,096
£150,001 to £200,000	0	0	2	361,128
<b>Total</b>	<b>6</b>	<b>348,551</b>	<b>10</b>	<b>945,906</b>

No persons retired early on ill-health grounds. The actuarial cost for employees for the early payment of retirement benefits was £242,330 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 DoF Superannuation and Other Allowances Resource Accounts as at 31 March 2017.

For 2018 employers' contributions of £207,912 (2017-£216,900) 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.

**7 Other Operating Expenditure**

		2017/2018	2016/2017
		£	£
Deficit / (Surplus) on Non Current Assets *	10e	530,597	357,631
Loss on derecognition of Long Term Debtor - Finance Lease *		0	903,044
<b>Totals</b>		<b>530,597</b>	<b>1,260,675</b>

\* 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**

	2017/2018			2016/2017 restated		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Interest Payable and Similar	3,160,881	0	3,160,881	3,300,696	0	3,300,696
Interest and Investment Income	0	102,516	(102,516)	0	108,782	(108,782)
Pensions interest cost ~	814,000	0	814,000	742,000	0	742,000
Investment Property Income and Expenditure	14,717	545,605	(530,888)	26,521	532,055	(505,534)
Changes in Fair Value of Investment Properties *	0	43,146	(43,146)	0	1,000,000	(1,000,000)
<b>Totals</b>	<b>3,989,598</b>	<b>691,267</b>	<b>3,298,331</b>	<b>4,069,217</b>	<b>1,640,837</b>	<b>2,428,380</b>

~ 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**

	2017/2018	2016/2017
	£	£
Rates	41,117,728	41,783,729
Finalisation - Prior Year	7,124	(747,685)
Finalisation - Current Year	1,056,494	(7,124)
	<b>42,181,346</b>	<b>41,028,920</b>
Rates Support Grant	2,358,436	2,390,519
De-Rating Grant	1,445,328	1,330,113
Transferring Functions Grant	375,929	370,505
<b>Total General Grants</b>	<b>4,179,693</b>	<b>4,091,137</b>
Capital Grant Receivable*	3,038,908	918,929
<b>Totals</b>	<b>49,399,947</b>	<b>46,038,986</b>

\* 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	Vehicles, Infrastructure Plant & Community PP&E Under Surplus Heritage Investment Intangible												TOTAL
	Land	Buildings	Assets	Equipment	Assets	Construction	Assets	Assets	Total PP&E	Properties	Assets		
	£	£	£	£	£	£	£	£	£	£	£	£	
<b>As at 01 April 2017</b>	34,633,465	136,444,451	11,478,673	16,935,388	2,082,326	6,863,876	0	1,154,890	209,593,069	7,000,000	80,701	216,673,770	
Additions (Note 15)	0	134,718	8,113	1,553,956	0	4,468,110	0	0	6,164,897	0	11,440	6,176,337	
Revaluation increases/ decreases to Revaluation Reserve	12,891,845	(1,697,993)	54,754	0	0	0	0	242,026	11,490,632	0	0	11,490,632	
Revaluation increases/ decreases to Surplus or Deficit on the Provision of Services	(730,134)	(838,983)	(13,215)	0	0	0	0	0	(1,582,332)	0	0	(1,582,332)	
Change in fair value of Investment Properties	0	0	0	0	0	0	0	0	0	43,146	0	43,146	
Derecognition - Disposals	(325,000)	0	0	(363,690)	0	0	0	(202,520)	(891,210)	0	0	(891,210)	
Derecognition - Other	0	0	0	0	0	(55,594)	0	0	(55,594)	0	0	(55,594)	
Reclassifications & Transfers	(225,439)	4,674,379	(513,806)	645,094	315,162	(5,687,308)	0	(268,186)	(1,060,104)	1,060,104	0	0	
<b>As at 31 March 2018</b>	<b>46,244,737</b>	<b>138,716,572</b>	<b>11,014,519</b>	<b>18,770,748</b>	<b>2,397,488</b>	<b>5,589,084</b>	<b>0</b>	<b>926,210</b>	<b>223,659,358</b>	<b>8,103,250</b>	<b>92,141</b>	<b>231,854,749</b>	

Depreciation	Vehicles, Infrastructure Plant & Community PP&E Under Surplus Heritage Investment Intangible												TOTAL
	Land	Buildings	Assets	Equipment	Assets	Construction	Assets	Assets	Total PP&E	Properties	Assets		
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	
<b>As at 01 April 2017</b>	0	15,344,453	2,985,389	10,608,801	0	0	0	0	28,938,643	0	51,344	28,989,987	
Adjustments between depreciation/impairment	0	21,751	0	(21,751)	0	0	0	0	0	0	0	0	
<b>As at 01 April 2017</b>	0	15,366,204	2,985,389	10,587,050	0	0	0	0	28,938,643	0	51,344	28,989,987	
Depreciation Charge	0	5,629,963	795,899	1,631,391	0	0	0	0	8,057,253	0	19,547	8,076,800	
Depreciation written out on Revaluation Reserve	0	(20,276,650)	(460,034)	0	0	0	0	0	(20,736,684)	0	0	(20,736,684)	
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	0	0	(42,495)	0	0	0	0	0	(42,495)	0	0	(42,495)	
Derecognition - Disposals	0	0	0	(325,258)	0	0	0	0	(325,258)	0	0	(325,258)	
Reclassifications & Transfers	0	(100,991)	92,489	8,502	0	0	0	0	0	0	0	0	
<b>As at 31 March 2018</b>	<b>0</b>	<b>618,526</b>	<b>3,371,248</b>	<b>11,901,685</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,891,459</b>	<b>0</b>	<b>70,891</b>	<b>15,962,350</b>	

## Net Book Values

<b>As at 31 March 2018</b>	<b>46,244,737</b>	<b>138,098,046</b>	<b>7,643,271</b>	<b>6,869,063</b>	<b>2,397,488</b>	<b>5,589,084</b>	<b>0</b>	<b>926,210</b>	<b>207,767,899</b>	<b>8,103,250</b>	<b>21,250</b>	<b>215,892,399</b>
----------------------------	-------------------	--------------------	------------------	------------------	------------------	------------------	----------	----------------	--------------------	------------------	---------------	--------------------

## 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
<b>As at 01 April 2016</b>	40,633,465	130,676,079	6,019,316	21,569,753	2,081,219	9,650,294	910,000	923,575	212,463,701	0	71,692	212,535,393
Additions (Note 15)	0	50,671	2,900	1,080,495	1,107	7,762,351	0	0	8,897,524	0	9,009	8,906,533
Reclassified from Short Term	0	0	0	0	0	0	(910,000)	0	(910,000)	0	0	(910,000)
Revaluation increases/ decreases to Revaluation Reserve	0	1,552,780	2,514,470	0	0	0	0	221,365	4,288,615	0	0	4,288,615
Revaluation increases/ decreases to Surplus or Deficit on the Provision of Services	0	(1,647,924)	0	0	0	0	0	0	(1,647,924)	0	0	(1,647,924)
Change in fair value of Investment Properties	0	0	0	0	0	0	0	0	0	1,000,000	0	1,000,000
Derecognition - Disposals	0	(9,947)	0	(6,387,096)	0	0	0	0	(6,397,043)	0	0	(6,397,043)
Derecognition - Other	0	0	0	0	0	(1,101,805)	0	0	(1,101,805)	0	0	(1,101,805)
Reclassifications & Transfers	(6,000,000)	5,822,791	2,941,987	672,236	0	(9,446,964)	0	9,950	(6,000,000)	6,000,000	0	0
<b>As at 31 March 2017</b>	<b>34,633,465</b>	<b>136,444,450</b>	<b>11,478,673</b>	<b>16,935,388</b>	<b>2,082,326</b>	<b>6,863,876</b>	<b>0</b>	<b>1,154,890</b>	<b>209,593,068</b>	<b>7,000,000</b>	<b>80,701</b>	<b>216,673,769</b>

	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
<b>As at 01 April 2016</b>	0	10,206,438	2,352,817	15,438,741	0	0	0	0	27,997,996	0	35,477	28,033,473
Depreciation Charge	0	5,390,610	632,572	1,530,250	0	0	0	0	7,553,432	0	15,867	7,569,299
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	0	(252,596)	0	0	0	0	0	0	(252,596)	0	0	(252,596)
Derecognition - Disposals	0	0	0	(6,360,191)	0	0	0	0	(6,360,191)	0	0	(6,360,191)
<b>As at 31 March 2017</b>	<b>0</b>	<b>15,344,452</b>	<b>2,985,389</b>	<b>10,608,800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28,938,641</b>	<b>0</b>	<b>51,344</b>	<b>28,989,985</b>

## Net Book Values

<b>As at 31 March 2017</b>	<b>34,633,465</b>	<b>121,099,998</b>	<b>8,493,284</b>	<b>6,326,588</b>	<b>2,082,326</b>	<b>6,863,876</b>	<b>0</b>	<b>1,154,890</b>	<b>180,654,427</b>	<b>7,000,000</b>	<b>29,357</b>	<b>187,683,784</b>
----------------------------	-------------------	--------------------	------------------	------------------	------------------	------------------	----------	------------------	--------------------	------------------	---------------	--------------------

## 10c Revaluation Reserve

2018	Land		Infrastructure	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Heritage Assets	Total PP&E	Investment Properties	Intangible Assets	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
<b>As at 01 April 2017</b>	15,232,576	22,164,640	2,514,470	0	0	0	0	695,868	40,607,554	0	0	40,607,554
Adjustments*	(6,000,000)	(135,453)	0	0	0	0	0	0	(6,135,453)	7,000,000	0	864,547
<b>As at 1 April as restated</b>	9,232,576	22,029,187	2,514,470	0	0	0	0	695,868	34,472,101	7,000,000	0	41,472,101
Transfers	(3,212)	(137,953)	31,262	0	183,499	0	0	(180,000)	(106,404)	106,404	0	0
Revaluation increases/ decreases to Revaluation Reserve @ cost	12,891,845	(1,697,993)	54,754	0	0	0	0	242,026	11,490,632	0	0	11,490,632
Change in fair value of Investment Properties	0	0	0	0	0	0	0	0	0	43,146	0	43,146
Depreciation written out on Revaluation Reserve	0	20,276,650	460,034	0	0	0	0	0	20,736,684	0	0	20,736,684
Excess of depreciation on revalued amounts over historic values	0	(994,498)	(299,428)	0	0	0	0	0	(1,293,926)	0	0	(1,293,926)
<b>As at 31 March 2018</b>	<b>22,121,209</b>	<b>39,475,393</b>	<b>2,761,092</b>	<b>0</b>	<b>183,499</b>	<b>0</b>	<b>0</b>	<b>757,894</b>	<b>65,299,087</b>	<b>7,149,550</b>	<b>0</b>	<b>72,448,637</b>

Adjustments \*

£6,000,000 was transferred from revaluation reserve to create an investment property reserve. In 2016/17 there was a further increase in Fair Value of Investment Property of £1,000,000 which was originally (in the absence of an Investment Property Revaluation Reserve) adjusted via the Capital Adjustment Account. This accounts for the £7,000,000 adjustment in Investment Property Revaluation Reserve. The remaining £135,453 corrects an imbalance in the opening revaluation reserve and is adjusted via the capital adjustment account - Notes 26 a and 26b refer.

2017	£	£	£	£	£	£	£	£	£	£	£	£
<b>As at 01 April 2016</b>	15,232,576	21,587,200	0	0	0	0	0	474,503	37,294,279	0	0	37,294,279
Revaluation increases/ decreases to Revaluation Reserve @ cost	0	1,552,780	2,514,470	0	0	0	0	221,365	4,288,615		0	4,288,615
Excess of depreciation on revalued amounts over historic values	0	(975,340)	0	0	0	0	0	0	(975,340)	0	0	(975,340)
<b>As at 31 March 2017</b>	<b>15,232,576</b>	<b>22,164,640</b>	<b>2,514,470</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>695,868</b>	<b>40,607,554</b>	<b>0</b>	<b>0</b>	<b>40,607,554</b>

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

2018	Vehicles, Infrastructure Plant & Community PP&E Under Surplus Heritage Investment Intangible												TOTAL
	Land	Buildings	Assets	Equipment	Assets	Construction	Assets	Assets	Total PP&E	Properties	Assets	Assets	
	£	£	£	£	£	£	£	£	£	£	£	£	£
Cost	(730,134)	(838,983)	(13,215)	0	0	0	0	0	0	(1,582,332)	0	0	(1,582,332)
Depreciation written back	0	0	42,495	0	0	0	0	0	0	42,495	0	0	42,495
<b>Net Impairment</b>	<b>(730,134)</b>	<b>(838,983)</b>	<b>29,280</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,539,837)</b>	<b>0</b>	<b>0</b>	<b>(1,539,837)</b>

2017													
	£	£	£	£	£	£	£	£	£	£	£	£	£
Cost	0	(1,647,924)	0	0	0	0	0	0	0	(1,647,924)	0	0	(1,647,924)
Depreciation	0	(252,596)	0	0	0	0	0	0	0	(252,596)	0	0	(252,596)
<b>Net Impairment</b>	<b>0</b>	<b>(1,395,328)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,395,328)</b>	<b>0</b>	<b>0</b>	<b>(1,395,328)</b>

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	2018	2017
	£	£
Cost of assets disposed	(891,210)	(6,397,043)
Depreciation eliminated on disposal	325,258	6,360,191
<b>Carrying amount of non-current assets sold</b>	<b>(565,952)</b>	<b>(36,852)</b>
Proceeds from sale of fixed assets	35,355	(320,779)
<b>Loss on sale of fixed assets</b>	<b>(530,597)</b>	<b>(357,631)</b>

Note 7 refers.

Disposals include derecognition of land associated with the Dunluce Centre £325,000 and obsolete fixed assets no longer in council service which had a gross cost of £118,519 (2017-£6,163,192) and Net Book Value of £Nil. See also Heritage Assets - Note 10 g.

#### 10 f Derecognition - Other

Expenditures of £55,594 on a number of smaller projects falling below the de minimis threshold of £10,000 was derecognised and treated as revenue.

#### 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 2014. As a result £221,366 was added to the carrying cost and the Revaluation Reserve account in respect of these assets in 2016/17 - Note 10b refers.

In 2017/18 Heritage Assets falling below the de minimus threshold of £10,000 for designated fixed assets were derecognised. As a result, £202,520 was treated as a disposal from Fixed assets - such assets still remain on the "Museum" register.

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

Details of the Council's surplus assets and information about the fair value hierarchy as at 31 March 2018 and 2017 are as follows:

2017/2018 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
	£	£	£	£
Type 1	0	0	0	-
Type 2	0	910,000	0	910,000
Type 3	0	0	0	0
<b>Total</b>		<b>910,000</b>	<b>-</b>	<b>910,000</b>

Surplus asset refers to the Dunluce Centre, sale of which had been agreed in 2016/17 accordingly the carrying value has been reclassified under current assets - assets held for resale.

A sale had been agreed in 2016/17 of the Dunluce Centre and accordingly the carrying value was reclassified from Surplus Assets to Assets Held for Sale, i.e. current assets. The buyer has applied for grant aid under the Urban Regeneration Scheme and due to conditions of award attributable to the scheme is unable to complete the formal contract of sale until a formal decision is made by the Department for Communities. The absence of Stormont has placed such funding in abeyance in the short term. However, Council are still of the opinion the sale will be concluded swiftly upon a return to Stormont and therefore consider it appropriate to retain the current asset designation.

2016/2017 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 2017
	£	£	£	£
Type 1	0	0	0	0
Type 2	0	910,000	0	910,000
Type 3	0	0	0	0
<b>Total</b>		<b>910,000</b>	<b>-</b>	<b>910,000</b>

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

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

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

##### Significant observable inputs – Level 2

Based on market values provided by a suitably qualified expert.

##### Significant observable inputs – Level 3

Council holds no assets at this level of categorisation.

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

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

#### Highest and best use of surplus assets

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

#### Valuation Techniques

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

### 10 i Valuation Process for Investment Property

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

Gains or losses arising from changes in the fair value of the investment property are recognised in the surplus on the provision of services - Note 8 "Financing and Investment and Expenditure" refers.

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.

During the year a number of Council owned properties were reclassified to Investment Property. As a result, Investment Properties values increased by £1,103,250 to £8,103,250 including an increase in Fair Value of £43,146.

### 10 j Intangible Assets

Intangible Assets comprise Podcast Net Book Value £3,254 (2017 - £4,816), Genealogy £5,756 (2017 - £8,521) and Computer and Telephony Licences £16,020 (2017 - £12,240).

**11 Debtors**

<b>11 a Long Term Debtors</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
NIHE Loans	1,128,710	1,195,165
Employee car loans	44,035	36,689
Sundry Employee Debtor	2,163	2,438
<b>Total Long-Term Debtors</b>	<b>1,174,908</b>	<b>1,234,292</b>

<b>11 b Short Term Debtors</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Government Departments	408,655	579,664
Other Councils	85,179	77,422
Bodies external to general government	26,609	58,104
NIHE Loans	66,454	62,463
Employee car loans	23,714	25,882
Cycle to Work Scheme	6,900	15,289
Revenue Grants	2,323,972	995,831
Capital Grants	268,050	84,182
Trade receivables	767,822	2,263,501
Impairment loss - Trade receivables	(7,550)	0
Value Added Tax	1,792,615	1,932,100
Prepayments	152,484	279,844
Other	254,015	417,527
<b>Total Short-Term Debtors</b>	<b>6,168,919</b>	<b>6,791,809</b>

<b>Total Debtors</b>	<b>7,343,827</b>	<b>8,026,101</b>
----------------------	------------------	------------------

<b>11 c Trade debtors, inclusive of VAT, inclusive of impairment can be analysed by age as follows:</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Less than three months	591,566	2,206,356
Three to six months	31,820	18,623
Six months to one year	79,882	33,657
More than one year	57,004	4,865
	<b>760,272</b>	<b>2,263,501</b>

**12 Investments**

All deposits held by Council at 31 March 2018 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. Accordingly, Council does not hold any Short or Long Term Investments as defined by the Code.

<b>13 Inventories</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Fuel	62,814	52,547
Central Stores	71,727	83,341
<b>Total</b>	<b>134,541</b>	<b>135,888</b>

**14 Borrowings**

<b>14 a Short Term Borrowing</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Loans re-payable within one year	6,907,359	4,775,317
<b>Total Short Term Borrowing</b>	<b>6,907,359</b>	<b>4,775,317</b>

£2,458,250 of commercial loans were redeemed on the 5th April 2018 hence the marked increase in loans due within 1 year.

<b>14 b Long Term Borrowing</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Between 1 and 2 years	4,476,342	5,035,047
Between 2 and 5 years	12,230,698	14,909,600
Between 5 and 10 years	16,554,099	17,861,652
In more than 10 years	28,920,815	31,283,014
<b>Total Long Term Borrowing</b>	<b>62,181,954</b>	<b>69,089,313</b>

<b>Total Borrowing</b>	<b>69,089,313</b>	<b>73,864,630</b>
------------------------	-------------------	-------------------

<b>14 c Analysed over:</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Government Loans	56,631,063	61,091,019
Commercial Loans	12,458,250	12,773,611
	<b>69,089,313</b>	<b>73,864,630</b>

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

Interest rates on Commercial Loans range between 2.04% to 4.99 %



**15 Capital Expenditure**

<b>Capital Expenditure</b>		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
Opening Capital Financing Requirement		81,492,315	81,886,888
<b>Capital Investment</b>			
Non Current Assets	10a / 10b	6,176,337	8,906,533
Net Revenue Expenditure funded from capital under statute	3a / 3b	60,000	468,378
Net Revenue Expenditure funded from capital under direction	3a / 3b	0	(314,469)
<b>Sources of Finance</b>			
Capital Receipts	MIRS / 25a	(35,355)	(1,019,342)
Government Grants and Other Contributions	9	(3,038,908)	(918,929)
Transfers to Sinking Fund	2	(304,444)	(304,444)
<b>Sums set aside from Revenue</b>			
Direct Revenue Contributions	10a / 10b	(55,594)	(1,101,805)
Minimum Revenue Provision	1	(6,025,374)	(6,110,495)
<b>Closing Capital Financing Requirement</b>		<b>78,268,977</b>	<b>81,492,315</b>
<b>Explanation of Movements in Year</b>			
		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
Decrease in underlying need to borrow		(3,223,338)	(394,573)
<b>Increase/(decrease) in Capital Financing Requirement</b>		<b>(3,223,338)</b>	<b>(394,573)</b>

**16 Future Capital Commitments**

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

	<b>Gross Cost</b>	<b>Grant Aid</b>	<b>Net Cost</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Schemes underway	8,044,157	3,771,318	4,272,839
Other Commitments	1,203,000	26,000	1,177,000
<b>Total</b>	<b>9,247,157</b>	<b>3,797,318</b>	<b>5,449,839</b>

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

**17 Creditors**

<b>17 a Short Term Creditors</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Government Departments	552,957	1,049,012
Other Councils	140,564	106,060
Bodies external to general government	101,558	328,143
Accumulated Absences	419,828	500,509
Loan Interest Payable	529,058	552,180
Capital Creditors	191,086	147,839
Receipts in advance	2,603,474	2,753,676
Trade creditors	4,894,806	3,855,620
Other	138,259	223,598
<b>Total Short Term Creditors</b>	<b>9,571,590</b>	<b>9,516,637</b>

**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 28,486 invoices totalling £44,257,849 (2016/2017 paid 25,547 invoices totalling £47,768,612).

	<b>2018</b>	<b>2017</b>
Total Invoices paid	28,486	25,547
Paid within 30 days	23,430	21,624
% within 30 days	82%	85%
Paid within 10 days	11,964	11,432
% within 10 days	42%	45%
After 30 days	5,056	3,923
% after 30 days	18%	15%
Number of Disputed Invoices	102	N/A
Average Payment Days	22.58 days	21.50 days

**18 Provisions****18 a Current Year**

Provisions	At 01 April 2017	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	At 31 March 2018
	£	£	£	£	£	£
Landfill Provision	12,676,201	127,127	0	0	1,511,951	14,315,279
Severance Payments	308,481	199,599	(308,481)	0	0	199,599
	<b>12,984,682</b>	<b>326,726</b>	<b>(308,481)</b>	<b>0</b>	<b>1,511,951</b>	<b>14,514,878</b>
	£	£	£	£	£	£
Current Provisions	308,481	199,599	(308,481)	0	0	199,599
Long Term Provisions	12,676,201	127,127	0	0	1,511,951	14,315,279
	<b>12,984,682</b>	<b>326,726</b>	<b>(308,481)</b>	<b>0</b>	<b>1,511,951</b>	<b>14,514,878</b>

**18 b Comparative Year Provisions**

Provisions	At 01 April 2016	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	At 31 March 2017
	£	£	£	£	£	£
Landfill Provision	11,538,796	538,737	0	0	598,668	12,676,201
Severance Payments	316,041	308,481	(316,041)	0	0	308,481
	<b>11,854,837</b>	<b>847,218</b>	<b>(316,041)</b>	<b>0</b>	<b>598,668</b>	<b>12,984,682</b>
	£	£	£	£	£	£
Current Provisions	316,041	308,481	(316,041)	0	0	308,481
Long Term Provisions	11,538,796	538,737	0	0	598,668	12,676,201
	<b>11,854,837</b>	<b>847,218</b>	<b>(316,041)</b>	<b>0</b>	<b>598,668</b>	<b>12,984,682</b>

**Landfill closure & aftercare**

Landfill provisions are in place in respect of all council landfill sites at Craighulliar (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 Crosstagherty closure plan was ratified by the Council in May 2016 and subsequently approved by Northern Ireland Environment Agency (NIEA) in December 2016. The provisions, which are based on current cost prices, have been discounted using prescribed discount rates in accordance with IAS37. The basis of the discount 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 26g). During the year changes to the discount rates resulted in increases to the provisions of £1,511,951 (2017 - increases £598,668). The provisions by site are set out below.

Landfill Site	Closure Costs	Aftercare Costs	At 31 March 2018	Closure Costs	Aftercare Costs	At 31 March 2017
	£	£	£	£	£	£
Craighulliar	1,635,222	3,353,888	4,989,110	1,623,676	2,158,616	3,782,292
Crosstagherty	1,735,019	763,839	2,498,858	1,729,293	691,431	2,420,724
Drumaduff	4,520,367	2,306,944	6,827,311	4,504,247	1,968,938	6,473,185
	<b>7,890,608</b>	<b>6,424,671</b>	<b>14,315,279</b>	<b>7,857,216</b>	<b>4,818,985</b>	<b>12,676,201</b>

**Severance**

Severance costs of £199,599 (2017-£308,481) 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 2016/17 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 payment within one year.

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

The Council is exposed to risk 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 and Personnel (Government Loans) that differ from the prevailing market rates. The fair value of these loans together with Market Loans is analysed as follows.

	2018	2017
	£	£
Government Loans	71,688,756	79,413,653
Market Loans	12,458,250	12,773,611
<b>Total</b>	<b>84,147,006</b>	<b>92,187,264</b>

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**

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	2018	2017
		£	£
<b>Net cost of services:</b>			
Current service cost	20 c	5,398,000	4,005,000
Past service cost/(gain)	20 c	524,000	399,000
<b>Net operating expenditure:</b>			
Net Interest on net defined benefit Liability (asset)	8	814,000	742,000
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>		<b>6,736,000</b>	<b>5,146,000</b>
<b>Movement in Reserves Statement:</b>			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(6,736,000)	(5,146,000)
<b>Actual amount charged against the general fund balance for pensions in the year:</b>			
Employers' contributions payable to scheme	20 c	3,734,000	3,584,000
<b>Net charge to the Comprehensive Income and Expenditure</b>		<b>(3,002,000)</b>	<b>(1,562,000)</b>

The service cost figures include an allowance for administration expenses of £65,000.

Remeasurements recognised in Other Comprehensive Income and Expenditure	Note	2018	2017
		£	£
Liability gains/(losses) due to change in assumptions	20 c	(3,188,000)	(32,161,000)
Liability experience gains/(losses) arising in the year	20 c	0	1,151,000
Actuarial gains/(losses) on plan assets	20 c	(757,000)	6,629,000
Other - (if applicable)	20 c	3,645,000	16,323,000
Adjustment to Opening Scheme Liabilities	20 c	0	(17,777)
Adjustment to Opening Scheme Assets	20 c	0	32,369
<b>Total gains/(losses) recognised in Other Comprehensive Income and Expenditure</b>		<b>(300,000)</b>	<b>(8,043,408)</b>

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

Reconciliation of present value of the scheme liabilities:	Note	2018	2017
		£	£
Balance as at 1 April		171,609,000	141,441,223
Adjustment to Opening Balance Pension		0	17,777
Current service cost	20 b	5,398,000	4,005,000
Interest cost		4,418,000	4,754,000
Contributions by members		1,068,000	1,019,000
<b>Remeasurement (gains) and losses:</b>			
Actuarial (gains)/losses arising from changes in financial assumptions	20 b	3,188,000	32,161,000
Actuarial gains/losses arising from demographic changes	20 b	0	(1,151,000)
Actuarial (gains)/losses arising on liabilities from experience	20 b	757,000	(6,629,000)
Past service costs/(gains)	20 b	524,000	399,000
Estimated unfunded benefits paid		(31,000)	(31,000)
Estimated benefits paid		(4,422,000)	(4,377,000)
<b>Balance as at 31 March</b>		<b>182,509,000</b>	<b>171,609,000</b>

Reconciliation of present value of the scheme assets:	Note	2018	2017
		£	£
Balance as at 1 April		138,413,000	117,850,631
Adjustment to Opening Balance Pension		0	32,369
Interest Income		3,604,000	4,012,000
Contributions by members		1,068,000	1,019,000
Contributions by employer		3,703,000	3,553,000
Contributions in respect of unfunded benefits		31,000	31,000
Remeasurement gain/(loss)		3,645,000	16,323,000
Unfunded benefits paid		(31,000)	(31,000)
Benefits paid		(4,422,000)	(4,377,000)
<b>Balance as at 31 March</b>		<b>146,011,000</b>	<b>138,413,000</b>

The actual return on scheme assets in the year was a gain of £7,249,000 (2017-£20,335,000)

Fair Value of Plan Assets	2018	2017
	£	£
Equity investments	104,251,854	103,117,685
Government Bonds	7,592,572	7,474,302
Corporate Bonds	10,512,792	8,443,193
Property	14,601,100	14,533,365
Other	2,482,187	1,245,717
Cash	6,570,495	3,598,738
	<b>146,011,000</b>	<b>138,413,000</b>

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 £NIL.

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

	2018	2017
	£	£
Fair Value of Employer Assets	146,011,000	138,413,000
Present value of funded defined benefit obligation	(182,015,000)	(171,114,000)
Pension asset/(liability) of Funded Scheme	(36,004,000)	(32,701,000)
Present Value of unfunded defined benefit obligation	(494,000)	(495,000)
<b>Net asset/(liability) arising from the defined benefit obligation</b>	<b>(36,498,000)</b>	<b>(33,196,000)</b>
<b>Amount in the Balance sheet:</b>	<b>£</b>	<b>£</b>
Liabilities	(36,498,000)	(33,196,000)
Assets	0	0
<b>Net Asset/(Liability)</b>	<b>(36,498,000)</b>	<b>(33,196,000)</b>

## 20 d Scheme history

Analysis of scheme assets and liabilities	2018	2017
	£	£
Fair Value of Assets in pension scheme	146,011,000	138,413,000
Present Value of Defined Benefit Obligation	(182,509,000)	(171,609,000)
<b>Surplus/(deficit) in the Scheme</b>	<b>(36,498,000)</b>	<b>(33,196,000)</b>

Amount recognised in Other Comprehensive Income and Expenditure:	2018	2017
	£	£
Prior year adjustment pensions	0	14,592
Actuarial gains/(losses)	(300,000)	(8,058,000)
<b>Remeasurements recognised in Other Comprehensive Income and Expenditure</b>	<b>(300,000)</b>	<b>(8,043,408)</b>

Experience gains and (losses) on assets	3,645,000	16,323,000
Experience gains and (losses) on liabilities	(3,945,000)	(24,381,000)

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £182,509,000 has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in a net liability of £36,498,000.

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 2019

	2019
	£
Projected current cost	5,751,000
Net Interest on the net defined benefit liability (asset)	891,000
	<b>6,642,000</b>

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the council in the year to 31 March 2019 is £6,642,000.

#### History of experience gains and losses

The actuarial gains identified as movements on the Pensions Reserve 2017/2018 can be analysed into the following categories, measured as a percentage of opening assets or liabilities for that year.

	2018	2017
		%
Experience gains and (losses) on Assets	2.50%	11.79%
Experience gains and (losses) on Liabilities	2.16%	14.21%

#### 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	23.3 years	23.2 years
Women	25.9 years	25.8 years

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

Men	25.5 years	25.4 years
Women	28.2 years	28.1 years

Inflation/Pension Increase Rate	2.10%	2.00%
Salary Increase Rate	3.60%	3.50%
Discount Rate	2.60%	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:

	2018	2017
	%	%
Equity investments	71.40	74.50
Government Bonds	5.20	5.40
Corporate Bonds	7.20	6.10
Property	10.00	10.50
Other	1.70	0.90
Cash	4.50	2.60
	<b>100.00</b>	<b>100.00</b>



**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 2018 and the projected service cost for the year ending 31 March 2019 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
<b>Adjustment to Discount Rate</b>	<b>0.1% p.a</b>	<b>(0.1%) p.a</b>
Present Value of total obligation £	178,555,000	185,542,000
% change in present value of total obligation	(1.9%)	1.9%
Projected Service Cost £	5,581,000	5,925,000
Approximate % change in projected service cost	(3.0%)	3.0%
<b>Adjustment to salary increase rate</b>	<b>0.1% p.a</b>	<b>(0.1%) p.a</b>
Present Value of total obligation £	182,989,000	181,051,000
% change in present value of total obligation	0.5%	(0.5%)
Projected Service Cost £	5,751,000	5,751,000
Approximate % change in projected service cost	0.0%	0.0%
<b>Adjustment to pension increase rate</b>	<b>0.1% p.a</b>	<b>(0.1%) p.a</b>
Present Value of total obligation £	184,557,000	179,510,000
% change in present value of total obligation	1.4%	(1.4%)
Projected Service Cost £	5,925,000	5,581,000
Approximate % change in projected service cost	3.0%	(3.0%)
<b>Adjustment to mortality age rate increase rate</b>	<b>(1 Year)</b>	<b>1 Year</b>
Present Value of total obligation £	187,402,000	176,657,000
% change in present value of total obligation	3.0%	(2.9%)
Projected Service Cost £	5,955,000	5,548,000
Approximate % change in projected service cost	3.5%	(3.5%)

**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 31/03/2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowances Resource Accounts as at 31 March 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 year Council made contributions of £207,912 (2017-£216,900) to the Northern Ireland Civil Service Scheme.

**21 Donated Assets Account**

21 a Donated Assets Account	Note	2018	2017
		£	£
Opening balance		94,500	0
Add: new donated assets received (condition of use not met)		14,312	94,500
<b>Closing Balance</b>		<b>108,812</b>	<b>94,500</b>

**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	2017
		£	£
John Onslow Springhall Bequest		108,812	94,500
		<b>108,812</b>	<b>94,500</b>

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	2018	2017
	£	£
Opening balance	2,638,635	248,705
Add: new capital grants received in advance (condition of use not met)	400,273	2,963,328
Less: amounts released to the Comprehensive Income and Expenditure Statement	(3,038,908)	(923,929)
<b>Closing Balance</b>	<b>0</b>	<b>2,638,635</b>

In the current year £3,038,908 of capital grant was applied and is disclosed under Taxation and Non Specific Grant - Note 9 refers.

In the prior year, of the £923,929 Capital Grant released, £5,000 was released to Service Expenditure as a Community Grant the remaining £918,929 is disclosed under Taxation and Non Specific Grant Income - 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	2017
	£	£
Portstewart Harbour	0	26,450
Dungiven Sports Pavilion	0	2,331,000
Riada 3G Pitch	0	279,026
Drumaheglis Marina Project	0	2,159
	<b>0</b>	<b>2,638,635</b>

## 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.

### Guaranteed Minimum Pension Provision

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension prior to 6 April 1997. At present there is an inequality of benefits between male and female members who have GMP. Until it is known how GMP equalisation will be carried out, the impact of allowing for it in the pension liabilities is uncertain and no allowance for GMP equalisation has been made.

### 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 extremely 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 noncash movements	Notes	2018 £	2017 £
Depreciation & Amortisation of non-current assets	10a / 10b	8,076,800	7,569,299
Impairment & downward revaluations (& non-sale derecognitions) of non-current assets	10d	1,539,837	1,395,328
(Increase)/Decrease in Stock	13	1,347	1,801
(Increase)/Decrease in Debtors	11	873,691	2,363,796
Increase/(decrease) in impairment provision for bad debts	11	(7,550)	410,581
Increase/(Decrease) in Creditors	17a	34,830	(869,543)
Increase/(Decrease) in Interest Creditors/Debtors	17a	(23,122)	(17,031)
Pension fund adjustments	20b	3,002,000	1,562,000
Carrying amount of non-current assets sold	10e	565,952	36,852
WIP written off to Net Cost of Services	10f	55,594	1,101,805
Contributions to Other Reserves/Provisions	18a / 18b	1,530,196	1,129,845
(Increase)/Decrease in Fair Value of Investment Property	8	(43,146)	(1,000,000)
<b>Total Adjustments for Non Cash Movements</b>		<b>15,606,429</b>	<b>13,684,733</b>

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	2017
			£	£
	Proceeds from the sale of PP&E, investment property and intangible assets		(35,355)	320,778
	Capital grants included in "Taxation & non-specific grant income"		(3,038,908)	(918,929)
	<b>Total Investing and Financing Adjustments</b>		<b>(3,074,263)</b>	<b>(598,151)</b>

#### 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 term deposits and investments (considered to be cash equivalents), net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the Balance Sheet as follows:

	2018	2017
	£	£
Cash and Bank balances	9,756,771	14,605,038
Short Term Deposits (considered to be Cash Equivalents)	1,524,983	1,019,033
<b>Total Cash and Cash Equivalents</b>	<b>11,281,754</b>	<b>15,624,071</b>

24 d	Cash Flow Statement-Operating Activities	2018	2017
		£	£
	The cash flows from operating activities include:		
	Interest received	102,516	108,782
	Interest paid	3,184,003	3,317,727

24 e	Cash flows from Investing Activities	2018	2017
		£	£
	Purchase of PP&E, investment property and intangible assets	(6,133,090)	(8,758,694)
	Proceeds from the sale of PP&E, investment property and intangible assets	35,355	(320,778)
	Capital Grants and Contributions Received	216,405	2,964,146
	<b>Net Cash flows from Investing Activities</b>	<b>(5,881,330)</b>	<b>(6,115,326)</b>

24 f	Cash flows from Financing Activities	2018	2017
		£	£
	Financing Receipts - Cash Donation	14,312	94,500
	Other Receipts from Financing Activities	0	9,143,575
	Repayment of Short and Long Term Borrowing	(4,775,317)	(4,322,470)
	<b>Net Cash flows from Financing Activities</b>	<b>(4,761,005)</b>	<b>4,915,605</b>

**25 Usable Reserves****25 a Capital Receipts Reserve**

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

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

Capital Receipts Reserve	Notes	2018	2017
		£	£
At 1 April		0	1,340,120
<b>Movement</b>			
Proceeds of sale		35,355	(320,778)
Capital Receipts used to finance capital expenditure		(35,355)	(1,019,342)
Net Movement		0	(1,340,120)
<b>At 31 March</b>		<b>0</b>	<b>0</b>

**26 Unusable Reserves****26 a 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.

Capital Adjustment Account	Notes	2018	2017
		£	£
At 1 April		63,256,144	62,387,427
Transfer Revaluation Reserve		135,453	0
Transfer Investment Property Revaluation Reserve		(1,000,000)	
<b>At 1 April as restated</b>		<b>62,391,597</b>	<b>62,387,427</b>
Applied Capital Grant	9	3,038,908	918,929
Derecognition (other than disposal) of non-current assets	10	(55,594)	(1,101,805)
Revaluation decreases / (increases) taken to Surplus / (Deficit) on the Provision of Services	10	(1,539,835)	(1,395,328)
Change in Fair Value	10	43,146	1,000,000
Depreciation	10	(8,076,800)	(7,569,299)
Statutory Provision for Capital Investment	15	6,025,373	6,110,495
Direct revenue financing of Capital Expenditure	10	55,594	1,101,805
Net Revenue Expenditure funded from capital under statute	15	(60,000)	(468,378)
Net Revenue Expenditure funded from capital under direction	15	0	314,469
Disposal of Fixed Assets NBV	10e	(565,952)	(36,852)
Disposal of Fixed Assets Proceeds	10e	35,355	(320,779)
Loss on Derecognition Long Term Debtor		0	(903,044)
<b>Transfer to / (from) General Fund</b>		<b>(1,099,805)</b>	<b>(2,349,787)</b>
Transfer to / (from) Capital Receipts Reserve	25a	0	1,340,120
Transfer to / (from) Revaluation Reserve	26b	1,293,926	975,339
Transfer to / (from) Investment Property Revaluation Reserve	26c	(43,146)	0
Transfer to(-) / from(+) Deferred Capital Receipts Account	26e	0	903,044
<b>At 31 March</b>		<b>62,542,572</b>	<b>63,256,144</b>

**26 b 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:

- a) revalued downwards or impaired and the gains are lost
- b) used in the provision of services and the gains are consumed through depreciation, or
- c) 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 current 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 account 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 account 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.

Revaluation Reserve	Notes	2018	2017
		£	£
At 1 April		40,607,554	37,294,277
Transfer Capital Adjustment Account		(135,453)	0
Transfer Investment Property Revaluation Reserve		(6,000,000)	0
<b>At 1 April as restated</b>		<b>34,472,101</b>	<b>37,294,277</b>
Revaluations	10d	32,227,316	4,288,616
T/fer Investment Property Revaluation Reserve	26c	(106,404)	0
Transfer (to) / from Capital Adjustment Account	10d / 26a	(1,293,926)	(975,339)
<b>At 31 March</b>		<b>65,299,087</b>	<b>40,607,554</b>

**26 c Investment Property Revaluation Reserve**

Investment Property changes in fair value are credited to the Financing and Investment Income Line 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 District Fund Balance and consequently these gains are reversed to the Investment Property Revaluation Reserve to separately identify and reflect the cumulative movement on Investment Property assets.

Investment Property Revaluation Reserve	Notes	2018	2017
		£'000's	£'000's
At 1 April		0	0
Transfer Revaluation Reserve	26b	6,000,000	0
Transfer Capital Adjustment Account	26a	1,000,000	0
<b>At 1 April as restated</b>		<b>7,000,000</b>	<b>0</b>
T/fer Revaluation Reserve	26b	106,404	0
In year change in Fair Value	26a	43,146	0
<b>At 31 March</b>		<b>7,149,550</b>	<b>0</b>

**26 d Pension Reserve**Refer to **Note 20**

Pension Reserve	Notes	2018	2017
		£	£
At 1 April		(33,196,000)	(23,590,592)
Revaluations	20b	(300,000)	(8,043,408)
Transfer to / (from) General Fund	1b	(3,002,000)	(1,562,000)
<b>At 31 March</b>		<b>(36,498,000)</b>	<b>(33,196,000)</b>

**26 e Deferred Capital Receipts Account**

The Deferred Capital Receipts Account records capital advances receivable where an amount equal to the advance is included as a deferred capital receipt. These amounts are written down each year by the amount of capital debt repaid to the Council in that year.

Deferred Capital Receipts Account	Notes	2018	2017
		£	£
At 1 April		0	903,044
Transfer (to) / from Capital Adjustment Account		0	(903,044)
<b>At 31 March</b>		<b>0</b>	<b>0</b>

**26 f 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.

Accumulated Absences Account	Notes	2018	2017
		£	£
At 1 April		(500,509)	(518,425)
Transfer to / (from) General Fund	1b	80,681	17,916
<b>At 31 March</b>		<b>(419,828)</b>	<b>(500,509)</b>

**26 g Provisions Discount Rate Reserve**

The Provisions Discount Rate Reserve is a negative reserve created in 2017/18 to cover the arrangement, put in place by 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 Craighulliar 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.

Provisions Discount Rate Reserve	Notes	2018	2017
		£	£
At 1 April		0	0
Transfer to / (from) General Fund		(1,157,825)	0
<b>At 31 March</b>		<b>(1,157,825)</b>	<b>0</b>



**26 h 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's 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 £1,434,655) 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 £1,533,264) 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.

Drumaduff	Notes	2018	2017	Movement
		£	£	£
Closure Costs	18	4,520,367	4,504,247	(16,120)
Aftercare Costs	18	2,306,944	1,968,938	(338,006)
<b>Transfer to / (from) General Fund</b>				<b>(354,126)</b>

Landfill Regulations Reserve	Notes	2018	2017
		£	£
At 1 April		(2,613,793)	(2,415,023)
Transfer to / (from) General Fund	3 / 25a	(354,126)	(198,770)
<b>At 31 March</b>		<b>(2,967,919)</b>	<b>(2,613,793)</b>

**26 i Total Unusable Reserves**

Total Unusable Reserves	Notes	2018	2017
		£	£
At 1 April	MIRS	67,553,396	74,060,708
Other Comprehensive Income and Expenditure	CIES	31,927,316	(3,754,792)
<b>Adjustments between accounting basis and funding basis</b>			
General Fund	26a to 26h	(5,533,075)	(4,092,640)
Other Usable Reserves	25a	0	1,340,120
<b>At 31 March</b>	<b>MIRS</b>	<b>93,947,637</b>	<b>67,553,396</b>

**27 Significant Trading Operations**

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

Significant Trading Operations	2018		2017 017 as restated	
	£ Turnover	£ Profit/(Loss)	£ Turnover	£ Profit/(Loss)
Car Parking Facilities	1,119,521	625,388	1,054,544	591,050
Camping and Caravanning Facilities	2,640,043	974,534	2,618,302	1,191,273
<b>Totals</b>	<b>3,759,564</b>	<b>1,599,922</b>	<b>3,672,846</b>	<b>1,782,323</b>

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

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

**28 Agency Services**

The Council acts as a Lead Partner for various schemes, projects or Committees. The common characteristic of these projects or Committees is that Council finances the project expenditure and is subsequently reimbursed. The following represents expenditure paid by Council (and hence income receivable) for the current and previous financial years together with amounts outstanding and included within short term debtors - Note 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		2018		2017	
	Income / Expenditure £	Year end Debtors £	Council's share of costs £	Income / Expenditure £	Year end Debtors £	Council's share of costs £
Peace IV	162,077	214,668	0	52,591	52,591	0
<b>Totals</b>	<b>162,077</b>	<b>214,668</b>	<b>0</b>	<b>52,591</b>	<b>52,591</b>	<b>0</b>

Council acted as Lead in programmes or Joint Committees, administering £162,077 of funds at a total cost to Council of £0.

**29 Related Party Transactions**

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

Transactions with related parties not disclosed elsewhere in these financial statements are set out below, where a description of the nature, the amount of the transaction and the amount of the outstanding balance is as follows. Note that related party relationships where control exists should be disclosed irrespective of whether there have been transactions between the related parties.

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

Council paid a total of £981,838 (2017 - £1,049,513) in grants to 164 (2017 - 180) community associations. Only 25 (2017 - 24) of these organisations received amounts of £5,000 or more are as follows:

Name of Body	No. of Elected Members		2018	2017
	Members	Members	£	£
Causeway Citizens Advice Bureau	2	2	288,977	272,550
Armoy Motorcycle Racing	Nil	Nil	10,785	10,785
Lower Bann Riverfest Ltd	Nil	Nil	0	11,949
Garvagh Development Trust	Nil	Nil	10,000	9,150
Limavady Sports Council	2	2	6,860	6,995
Ballymoney Sports Advisory Committee	2	2	7,860	7,995
Stendhal Festival Limited	Nil	Nil	15,906	9,750
Portstewart Community Association	2	2	3,593	5,960
Greysteel Community Enterprise	Nil	Nil	0	7,503
Riverside Theatre University of Ulster Coleraine	3	3	51,875	0
Super Cup NI International Youth Football Cup	Nil	Nil	85,500	0
Coleraine & District Motor Club	Nil	Nil	122,400	0
Glens Of Antrim Historical Society	Nil	Nil	18,333	21,667
Ballymoney & Dist Cultural & Heritage Society	Nil	Nil	0	17,550
Roe Valley Residents Association	Nil	Nil	0	13,570
Royal Scottish Pipe Band Assoc NI	Nil	Nil	10,688	0
Heart Of The Glens Community Festival	Nil	Nil	6,885	10,390
Portrush Heritage Group	Nil	Nil	11,550	9,750
Causeway Coast & Glens Heritage Trust	4	4	61,250	8,750
Glenariff Improvement Group	Nil	Nil	0	8,582
Bushmills Residents & Environmental Forum	Nil	Nil	6,893	7,500
Garvagh Museum	Nil	Nil	7,125	7,500
Kingdom Of Dalriada Ulster Scots Society	Nil	Nil	5,801	6,750
Ballymoney Community Resource Centre	Nil	Nil	0	6,671
Roe Valley International Folk Festival	Nil	Nil	5,941	0
Coleraine Local Sports Advisory Council	Nil	Nil	6,038	6,157
Coleraine Festival Committee	Nil	Nil	0	6,125
Danny Boy Jazz & Blues Festival	Nil	Nil	5,000	5,000
North Antrim Agricultural Association Ltd	Nil	Nil	0	5,000
Derry & District Youth FA Foyle Cup	Nil	Nil	7,000	0
Limavady Volunteer Centre	Nil	Nil	5,071	0
Outdoor Recreation NI	Nil	Nil	6,850	0
The Canoe Association of NI	Nil	Nil	16,588	0

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

Name of Body	No. of		2018	2017
	Elected Members	No. of Council Officers	£	£
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	970	700
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	725	0
Big Telly Theatre Company	1	0	1,080	0
Burnfoot Community Development Association	1	0	2,260	0
Cairns Residents Group	1	0	1,127	0
Carey Faughs GAC	1	0	890	0
Coleraine 50+ Forum	1	0	499	0
Drumsurn Community Association	1	0	1,458	0
Focus on Family Development & Nurturing Centre	1	0	4,860	0
Kilrea Town Hall Management Committee	1	0	4,500	0

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

		2018	2017
Name of Body	Lead Council	£	£
NI Local Government Association		56,946	49,632
National Association of Councillors		3,200	3,200
North West Regional Waste Management Group	Derry City and Strabane	97,187	86,788

**29 d Payments to Other Councils**

		2018	2017
Name of Council		£	£
Antrim and Newtownabbey Borough Council		53,308	37,297
Belfast City Council		20,661	36,447
Derry City & Strabane District Council		208,843	247,251
Fermanagh & Omagh District Council		1,998	1,790
Mid & East Antrim Borough Council		41,111	22,500
Mid-Ulster District Council		7,728	9,052
Ards and North Down		10	33
Armagh, Banbridge and Craigavon		2,393	328
Lisburn and Castlereagh		57,353	8,670
Newry Mourne and Down District Council		1,583	0

The figure of £208,843 to Derry City & Strabane District Council includes £103,405 paid in relation to the North West Regional Waste Management Group - Note 29c refers.

**29 e Department for Communities (formerly known as the Department of Environment)**

Council receives an annual grant from the Department of Communities. During 2017/2018 it received £4,179,693 (2016/2017 £4,091,137)

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

Council is represented by 10 Councillors on the Causeway Coast and Glens Policing and Community Safety Partnership, one of which acts as Chairperson. During 2017/18 council made net contributions of £118,102 (2016/17 £104,657) to the running costs of the partnership. Council provides legal, financial and personnel services to the Partnership for which it received £342,851 in 2017/18 (2016/17 £347,089)

**29 g Staff Savings Scheme**

Council operated a staff savings scheme. This scheme was discontinued in December 2017 with all remaining funds owed to staff being withdrawn.

**29 h 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 31 March 2018 was £67,748 (2017 -£62,571) - Note 11a and b refer.

**30 Detailed Income and Expenditure Analysis for the year ended 31 March 2018**

The purpose of this note is to provide additional analysis of the income and 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 and are therefore separately disclosed in this note to reconcile management accounts to the annual financial statements.

30 a	Service Heading	2017-2018			2016-2017		
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
		£	£	£	£	£	£
	Arts Development and Support	502,262	78,751	423,511	569,988	77,047	492,941
	Theatres and Public Entertainment	417,782	54,478	363,304	425,260	52,445	372,815
	Museums and Art Galleries	283,197	37,730	245,467	194,393	40,849	153,544
	Good Relations	238,332	184,914	53,418	234,788	183,821	50,967
	Policing & Community Safety Partnership	442,242	343,276	98,966	450,469	347,089	103,380
	Community Festivals	62,905	26,242	36,663	65,017	30,900	34,117
	Neighbourhood Renewal	57,248	53,222	4,026	70,768	79,055	(8,287)
	Community Development	672,446	294,675	377,771	649,223	464,159	185,064
	Peace Programmes	260,425	260,425	0	52,591	52,591	0
	<b>Community and Culture</b>	<b>2,936,839</b>	<b>1,333,713</b>	<b>1,603,126</b>	<b>2,712,497</b>	<b>1,327,956</b>	<b>1,384,541</b>
	Business Development	948,967	11,851	937,116	679,183	1,790	677,393
	Town and Village Management	344,587	47,212	297,375	277,412	14,614	262,798
	Strategic Prosperity & Place Projects	155,782	4,950	150,832	91,368	0	91,368
	Regeneration	78,137	20,275	57,862	1,262,335	1,347,170	(84,835)
	Rural Development	329,881	288,520	41,361	242,183	283,544	(41,361)
	Prosperity and Place Management	80,644	0	80,644	65,577	0	65,577
	<b>Prosperity and Place</b>	<b>1,937,998</b>	<b>372,808</b>	<b>1,565,190</b>	<b>2,618,058</b>	<b>1,647,118</b>	<b>970,940</b>
	<b>Leisure &amp; Development Management</b>	<b>421,964</b>	<b>0</b>	<b>421,964</b>	<b>393,388</b>	<b>30</b>	<b>393,358</b>
	Allotments	499	0	499	2,046	0	2,046
	Community Centres	496,635	86,042	410,593	491,165	134,478	356,687
	Golf Courses	47,584	84,713	(37,129)	31,657	81,794	(50,137)
	Indoor sports and recreation facilities	4,658,806	2,221,366	2,437,440	4,782,551	2,144,940	2,637,611
	Neighbourhood Renewal SW	28,172	23,175	4,997	24,285	22,641	1,644
	Outdoor sports and recreation facilities	924,302	152,700	771,602	915,957	143,867	772,090
	Sports Development	342,637	228,432	114,205	339,544	245,263	94,281
	Sport & Wellbeing Management	820,420	1,132	819,288	730,301	143	730,158
	<b>Sport &amp; Wellbeing</b>	<b>7,319,055</b>	<b>2,797,560</b>	<b>4,521,495</b>	<b>7,317,506</b>	<b>2,773,126</b>	<b>4,544,380</b>
	Camping and caravanning	1,606,668	2,631,691	(1,025,023)	1,372,260	2,618,299	(1,246,039)
	Camping and caravanning Management	58,841	8,352	50,489	54,769	3	54,766
	Tourist Facilities / Attractions	49,108	2,347	46,761	91,947	5,992	85,955
	Walks, Paths and Public Rights of Way	13,585	0	13,585	7,309	0	7,309
	Viewing Points and Lay-byes	1,028	0	1,028	271	0	271
	Picnic Areas	726	0	726	4,133	0	4,133
	Forest Parks	816	0	816	155	0	155
	Bio-Diversity & Habitat Management	70,450	29,023	41,427	86,909	46,725	40,184
	Foreshore & Beach Management	219,186	1,000	218,186	263,156	48,498	214,658
	Outdoor Recreation Management	4,872	0	4,872	7,690	0	7,690
	Coast & Countryside Management	248,486	117	248,369	174,740	17,268	157,472
	Visitor / Tourist Centres	338,662	31,668	306,994	419,513	34,958	384,555
	Tourism Marketing	529,715	1,561	528,154	396,342	10,018	386,324
	Tourist Promotional Events	1,266,191	191,427	1,074,764	1,134,468	227,786	906,682
	Special One-off Tourism Event	14,577	14,577	0	0	0	0
	Tourism & Recreation Management	68,411	0	68,411	59,401	0	59,401
	<b>Tourism &amp; Recreation</b>	<b>4,491,322</b>	<b>2,911,763</b>	<b>1,579,559</b>	<b>4,073,063</b>	<b>3,009,547</b>	<b>1,063,516</b>
	<b>Funding Unit</b>	<b>117,124</b>	<b>0</b>	<b>117,124</b>	<b>115,895</b>	<b>0</b>	<b>115,895</b>
	<b>Strategic Projects</b>	<b>96,754</b>	<b>0</b>	<b>96,754</b>	<b>88,410</b>	<b>0</b>	<b>88,410</b>
	<b>Leisure and Development</b>	<b>17,321,056</b>	<b>7,415,844</b>	<b>9,905,212</b>	<b>17,318,817</b>	<b>8,757,777</b>	<b>8,561,040</b>

## Detailed Income and Expenditure Analysis for the year ended 31 March 2018

30 b Service Heading	2017-2018			2016-2017		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Cemeteries	212,578	148,170	64,408	178,233	116,812	61,421
Citizen Parks	2,066,619	19,857	2,046,762	1,951,095	32,520	1,918,575
Minor Works	375,908	1,250	374,658	480,267	0	480,267
Other Community Assets	16,499	5,164	11,335	66,314	0	66,314
Estates Management	542,894	0	542,894	37,633	0	37,633
<b>Estates</b>	<b>3,214,498</b>	<b>174,441</b>	<b>3,040,057</b>	<b>2,713,542</b>	<b>149,332</b>	<b>2,564,210</b>
Air Quality	142,718	45,385	97,333	170,816	31,550	139,266
Dog Control & Animal Welfare	343,630	107,273	236,357	329,061	114,311	214,750
Food Standards	402,443	114,179	288,264	361,535	120,902	240,633
Health and safety at work	216,016	0	216,016	129,136	918	128,218
Housing standards	2	2,750	(2,748)	115	1,100	(985)
Licensing	234,869	133,560	101,309	108,257	153,093	(44,836)
Public Health	1,150	1,271	(121)	12,314	860	11,454
Consumer Protection	181,432	2,720	178,712	456,482	30,891	425,591
Building Regulation and Control	967,425	827,991	139,434	1,052,111	854,154	197,957
Environmental Health & Housing	1,030,027	489,380	540,647	1,400,240	528,637	871,603
Emergency Planning	104,524	63,740	40,784	89,661	79,282	10,379
General	0	0	0	4,183	400	3,783
<b>Health and Build Environment</b>	<b>3,624,236</b>	<b>1,788,249</b>	<b>1,835,987</b>	<b>4,113,911</b>	<b>1,916,098</b>	<b>2,197,813</b>
Car Parking	494,133	1,119,521	(625,388)	463,494	1,054,544	(591,050)
Harbours & Marinas	506,926	337,465	169,461	559,698	332,600	227,098
Special Repairs	15,251	0	15,251	370,650	370,650	0
Capital Works Manager	4,065	0	4,065	17,725	0	17,725
Infrastructure Management	62,394	0	62,394	837	0	837
<b>Infrastructure</b>	<b>1,082,769</b>	<b>1,456,986</b>	<b>(374,217)</b>	<b>1,412,404</b>	<b>1,757,794</b>	<b>(345,390)</b>
Civic Amenity Sites	1,041,534	65,205	976,329	1,181,827	4,616	1,177,211
Cleaning Other	8,993	0	8,993	32,499	0	32,499
Disposal of Waste	5,061,423	1,369,211	3,692,212	4,560,730	1,957,404	2,603,326
Household Waste Collection	2,989,570	72,038	2,917,532	3,070,946	71,736	2,999,210
Public Conveniences	703,751	6,477	697,274	561,345	7,346	553,999
Recycling Collection	1,253,137	89,587	1,163,550	1,410,931	101,203	1,309,728
Recycling Disposal	1,904,088	22,840	1,881,248	1,572,711	10,637	1,562,074
Skip Service	231,742	0	231,742	216,535	0	216,535
Street Cleansing	2,341,282	2,176	2,339,106	2,231,049	2,532	2,228,517
Trade Waste Collection	169,210	358,366	(189,156)	158,583	569,219	(410,636)
Trade Waste Disposal	0	0	0	6,222	0	6,222
Transfer Stations	1,205,690	0	1,205,690	1,369,905	0	1,369,905
Operations Support	1,154,882	3,235	1,151,647	1,635,675	0	1,635,675
Operations Management	807,475	16,821	790,654	787,753	20,930	766,823
<b>Operations</b>	<b>18,872,777</b>	<b>2,005,956</b>	<b>16,866,821</b>	<b>18,796,711</b>	<b>2,745,623</b>	<b>16,051,088</b>
<b>Management</b>	<b>513,635</b>	<b>0</b>	<b>513,635</b>	<b>70,017</b>	<b>0</b>	<b>70,017</b>
<b>Environmental Services</b>	<b>27,307,915</b>	<b>5,425,632</b>	<b>21,882,283</b>	<b>27,106,585</b>	<b>6,568,847</b>	<b>20,537,738</b>

## Detailed Income and Expenditure Analysis for the year ended 31 March 2018

30 c	Service Heading	2017-2018			2016-2017		
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
		£	£	£	£	£	£
	Members' allowances (section 36)	782,183	0	782,183	822,696	2,400	820,296
	Other Members Costs general	44,533	0	44,533	800	0	800
	Members' subscriptions	1,150	0	1,150	3,700	0	3,700
	Conferences and meetings (section 38)	139	0	139	3,494	0	3,494
	Mayor's Expenses	37,921	0	37,921	26,282	0	26,282
	Civic Functions	32,365	0	32,365	44,307	0	44,307
	Official and courtesy visits	5,695	0	5,695	20,982	0	20,982
	Election Expenses	7,298	0	7,298	8,146	0	8,146
	<b>Members' Allowances and Expenses</b>	<b>911,284</b>	<b>0</b>	<b>911,284</b>	<b>930,407</b>	<b>2,400</b>	<b>928,007</b>
	<b>Registrar</b>	<b>173,287</b>	<b>220,251</b>	<b>(46,964)</b>	<b>180,595</b>	<b>217,568</b>	<b>(36,973)</b>
	<b>Democratic Management</b>	<b>438,474</b>	<b>176</b>	<b>438,298</b>	<b>460,149</b>	<b>157</b>	<b>459,992</b>
	<b>Democratic and Registration</b>	<b>1,523,045</b>	<b>220,427</b>	<b>1,302,618</b>	<b>1,571,151</b>	<b>220,125</b>	<b>1,351,026</b>
	Property Rental	9,380	2,577	6,803	31,789	19,761	12,028
	HR	834,189	3,380	830,809	700,409	1,201	699,208
	Information Technology	973,913	11,160	962,753	757,561	3,810	753,751
	Community Planning	101,288	909	100,379	108,438	0	108,438
	Policy - General	141,460	0	141,460	35,796	0	35,796
	Contributions to Other Bodies	41,996	0	41,996	70,437	0	70,437
	Internal Audit	77,210	0	77,210	90,405	0	90,405
	Corporate Management	675,444	108,209	567,235	1,103,470	4,203	1,099,267
	<b>Corporate Support Services</b>	<b>2,854,880</b>	<b>126,235</b>	<b>2,728,645</b>	<b>2,898,305</b>	<b>28,975</b>	<b>2,869,330</b>
	Transformational Change	353,434	0	353,434	1,061,224	0	1,061,224
	Performance	123,302	3,939	119,363	13,666	193,194	(179,528)
	Health and Safety	138,820	0	138,820	178,246	0	178,246
	Insurance	34,911	0	34,911	978	0	978
	Civic Buildings	1,551,693	73,146	1,478,547	1,356,199	60,723	1,295,476
	<b>* Performance</b>	<b>2,202,160</b>	<b>77,085</b>	<b>2,125,075</b>	<b>2,610,313</b>	<b>253,917</b>	<b>2,356,396</b>
	Finance	1,230,940	33,209	1,197,731	1,394,879	6,736	1,388,143
	Procurement	3,377	0	3,377	1,370	0	1,370
	Reallocations	0	0	0	22,421	0	22,421
	Non Distributed Costs	56,550	1,896	54,654	87,219	160,419	(73,200)
	External Audit ~	83,069	0	83,069	68,316	0	68,316
	<b>* Financial Services</b>	<b>1,373,936</b>	<b>35,105</b>	<b>1,338,831</b>	<b>1,574,205</b>	<b>167,155</b>	<b>1,407,050</b>
	<b>* Legal Services</b>	<b>256,015</b>	<b>3,250</b>	<b>252,765</b>	<b>132,800</b>	<b>0</b>	<b>132,800</b>
	<b>Corporate Policy and Resources</b>	<b>8,210,036</b>	<b>462,102</b>	<b>7,747,934</b>	<b>8,786,774</b>	<b>670,172</b>	<b>8,116,602</b>

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

~ Includes £10,069 of Non Statutory Fees



## Detailed Income and Expenditure Analysis for the year ended 31 March 2018

30 d Service Heading	2017-2018			2016-2017		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Planning Policy	1,875,870	1,392,086	483,784	1,803,700	1,336,467	467,233

Management Account Service Totals  
before Annual Statutory (non-Cash)  
Reporting Adjustments

54,714,877 14,695,664 40,019,213 55,015,876 17,333,263 37,682,613

## 30 e Annual Statutory (Non-Cash) Reporting Adjustments

Depreciation	8,076,800	0	8,076,800	7,569,299	0	7,569,299
Impairment	6,014,034	4,474,199	1,539,835	1,853,440	458,112	1,395,328
REFCUS	60,000	0	60,000	468,378	0	468,378
REFCUD	0	0	0	(314,469)	0	(314,469)
Revenue Expenditure Capitalised	60,000	0	60,000	153,909	0	153,909
Pension Adjustments	2,188,000	0	2,188,000	820,000	0	820,000
Accumulated Absences Adjustment	(80,681)	0	(80,681)	(17,915)	0	(17,915)
<b>Annual Statutory (Non-Cash) Reporting Adjustments</b>	<b>16,258,153</b>	<b>4,474,199</b>	<b>11,783,954</b>	<b>10,378,733</b>	<b>458,112</b>	<b>9,920,621</b>
<b>Cost of Services on Continuing Operations</b>	<b>70,973,030</b>	<b>19,169,863</b>	<b>51,803,167</b>	<b>65,394,609</b>	<b>17,791,375</b>	<b>47,603,234</b>

**31 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 2017/2018 financial year and its position at the year-end of 31 March 2018. 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 2017/2018 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 2017/2018 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 scheme 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 Account.

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

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

**xviii) Overheads and Support Services**

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

**xix) Property, Plant and Equipment**

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

**Recognition**

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

**Measurement**

Assets are initially measured at cost, comprising:

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

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

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

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

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

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

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

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

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

### **Impairment**

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

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

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

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

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

### **Depreciation**

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

Depreciation is calculated on the following bases:

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

**Componentisation**

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

**Revaluations**

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

**xx) Heritage Assets**

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

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

**xxi) Provisions**

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

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

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

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



**xxii) Reserves**

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

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

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

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

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

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

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

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

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

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

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

**xxvi) Value Added Tax**

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

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

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

On 20 September 2018 judgement was handed down in a legal case taken by a Council against the Department for Communities relating to the allocation of Rate Support Grant. Causeway Coast and Glens Borough Council is a recipient of Rate Support Grant and the decision in this case potentially has a significant impact on the amount of Rate Support Grant that the Council may receive. It is not possible for the Council to accurately assess the impact of the Court decision until such times as the Department for Communities has indicated how it intends to give effect to the Court judgement.

**The Chief Financial Officer authorised these financial statements for issue on 27th September 2018.**