

under each of the City Deal pillars, and NMDDC officials sit on the Executive Board, relevant pillar boards, Finance Directors Group and other groups as relevant to NMDDC's projects.

A Governance Review of the NCCR Programme was carried out by Council's internal auditors during August 2021, following a number of concerns raised by Members. The review concluded that the internal auditors did not believe the concerns raised by Members should impact on the Council progressing the Regeneration Programme.

3. Planning Backlog

The 'failure to provide robust and timely planning decisions' is highlighted as a risk within the Corporate Risk Register. This has been reinforced by the development of the performance improvement objective to 'improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme' which was agreed in 2021-22 and has been carried forward to 2022-23.

Despite the challenges presented by the COVID-19 pandemic, the continued implementation of the Planning Service Improvement Programme is well underway and has been led by an independent planning project consultant. The aim of the programme is to review and refine processes and procedures, support employees to deliver service improvements and improve the responsiveness of the Development Management Service, particularly in relation to the time taken to determine planning applications and to bring enforcement cases to a satisfactory conclusion.

Between Q1-Q3 2021-22, Newry, Mourne and Down received 1,331 planning applications, which is the highest across Northern Ireland and exceeds the 1,177 applications received between Q1-Q3 2020-21. Despite the the high volume of planning applications received, the Council has made progress in reducing the number planning applications and enforcement cases currently in the system.

- The number of planning applications in the system for 12 months or less has decreased from 857 in March 2021 to 825 in December 2021.
- The number of planning applications in the system for 12 months or more has decreased from 195 in March 2021 to 187 in December 2021.
- The number of enforcement cases in the system for 12 months or more has decreased from 546 in March 2021 to 486 in December 2021.

Through the Performance Improvement Plan, the Council has agreed and published a suite of performance measures and targets to reduce the backlog of planning applications. Progress in achieving the targets set is monitored and reported to the SMT, SP&R Committee and Audit Committee on a bi-annual basis.

It should be noted that, whilst the Council has not yet achieved the statutory standards, the time taken to process planning applications and enforcement cases has improved over the past three years.

- The time taken to process local planning applications has reduced from 20.6 weeks in 2019-20 to 18.3 weeks between Q1-Q3 2021-22 and is above the current Northern Ireland average of 16.8 weeks.
- The time taken to process major planning applications has reduced from 94 weeks in 2019-20 to 49.8 weeks between Q1-Q3 2021-22 and is below the current Northern Ireland average of 55.9 weeks.

- The percentage of planning enforcement cases progressed within 39 weeks improved, from 36.2% in 2019-20 to 46.9% between Q1-Q3 2021-22, and remains well below the current Northern Ireland average of 70%.

These figures correlate with the findings of the Planning Satisfaction Survey which was carried out in January 2022. Through the survey, 113 Planning Agents were consulted on the aspects of the service that are working well and potential areas for improvement. Whilst only 29 Planning Agents responded, which equates to a low response rate of 25%, the findings indicate that:

- 69% are satisfied with the reception service
- 48% are satisfied with the expertise and knowledge of Planning Officers
- 7% are satisfied with the time taken to process planning applications

The feedback from the survey, combined with the continued implementation of the performance improvement objective during 2022-23, will deliver service improvements by addressing the backlog of planning applications in the system, reducing the caseloads of Planning Officers, improving processing times and putting in place sound foundations to provide a more modern, efficient, resilient and responsive Development Management Service. It should however be noted that, whilst performance may be temporarily impacted by the implementation of the new electronic planning system during 2022-23, progress in will continue to be monitored quarterly through the Corporate Risk Register and bi-annually through the Performance Improvement Plan.

4. Absenteeism

The 'failure to adequately manage sickness absence resulting in delays and an inability to deliver Council services' is included as a risk in the Corporate Risk Register. Between 2019-20 and 2020-21, Newry, Mourne and Down District Council recorded a decrease in the number of days lost per employee, from 15.80 days (which was above the Northern Ireland average of 14.2 days) to 13.55 days. This includes a significant reduction in short term absence, which decreased from 4.10 days to 2.37 days lost per employee and is the lowest level of short term absence recorded since 2015-16. Significantly, 63.5% of the workforce (654 employees) had no recorded absence during 2020-21, which is an improvement when compared to the 46.2% of employees with no recorded absence during 2019-20.

However, between 2020-21 and 2021-22, the number of days lost due to sickness absence increased by 5,671 days, from 12,107.5 days to 17,778.5 days, representing an overall increase of 46.8%. This can partially be attributed to the upsurge in days lost due to coronavirus and vaccine reaction, which increased by 397.1%, from 608 days in 2020-21 to 3,022.5 days in 2021-22.

Senior management continues to put in place arrangements to monitor and reduce the number of days lost per employee:

- Adoption of the Managing Attendance Policy and Procedure in April 2020 and subsequent implementation, which formed part of an internal audit in April 2021. The Council's Internal Auditors concluded that the systems and controls in place for managing attendance at work are satisfactory. Seven recommendations were put forward, five of which are fully implemented and two remain partially implemented.
- Ongoing provision of support and guidance to line managers, reminding them of their responsibilities in relation to absence management, return to work meetings and the completion of the mandatory training on the Council's e-learning platform.

- Quarterly reporting of absence management figures to the SMT and SP&R Committee and monthly reporting of outstanding return to work meetings to CMT.
- Introduction of the Corporate Performance Dashboard which includes two performance measures in relation to the number of days lost and outstanding return to work meetings. The Dashboard is monitored and reported to the SMT and CMT on a quarterly basis and the data is analysed at a corporate, directorate and departmental level, providing an insight into areas of good performance and areas of under performance, which may benefit for targeted intervention.
- Introduction of a number of initiatives over the past few years to support employee health and wellbeing, including the establishment of the Health and Wellbeing Working Group and implementation of People Perform Grow which provides an opportunity for employees to discuss any health and well-being matters with their line managers. People Perform Grow will be rolled out to employees at tier 5 and above during 2022-23.

However, senior management recognise that further improvements are required to address the recent upsurge in the number of days lost due to sickness absence and further actions will be highlighted within Council's Corporate Risk Register.

5. Digital Information and Cyber Security

Digital Information and Cyber Security is a significant governance issue and is overseen through the Councils Risk Management Processes. It is currently one of our red risks on Councils Corporate Risk register; 'Risk of a cyber security event causing significant operational, financial and reputational damage to the Council'.

There has been a major increase in Security threats from March 2020. The increase in threat activity is projected to continue on a steeper trajectory over the course of, at least, the next 5 years.

In June 2022 Council was subject to a cyber incident which was classified as a 'near miss'. The Councils systems were offline for 5 days and normal operations were interrupted for several weeks which highlights the threat and disruption a successful attack would have on Council operations.

Council are currently progressing several actions to mitigate the Digital information/Cyber risk;

- Development of Service Area Business Continuity Scenario Plans with a focus on cyber security/disaster recovery and ensuring critical functions are operational;
- Implementation of additional security measures including multifactor authentication, conditional access and modern authentication where possible and appropriate;
- Increasing User resilience through continual training, testing and remediation;
- Continuing to engage with and follow guidance from the National Cyber Security Centre (NCSC) and avail of Active Cyber Defence tools from NCSC and supplement with vulnerability and penetration testing, actioning recommendations resulting therefrom where possible and appropriate;
- Working through lessons learned internally and by peers and other organisations to continually improve detection and response; and
- Maintaining robust change management controls.

6. Succession Planning and Talent Recruitment

Council has long term plans that are in place for the District including our ambitious capital plan and the Belfast City Region Deal. It is imperative there is effective succession planning in

place. Currently all Councils are finding it difficult to fill Senior positions and skills gaps have been identified in several service areas including capital works, procurement and waste management posts.

As we move forward there needs to be a stronger focus on attracting a more diverse pool of talent to the Council and upskilling our existing talent to have adequate succession plans to fulfil vacancies at all levels including Senior Management.

Council are currently working in conjunction with the Local Government Staff Commission to contribute to the regional Talent Management Strategy. Another solution is offering apprenticeships across certain service areas. The first apprenticeships will be taking up posts in Council in September 2022.

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

**Signed
Date**

CHAIR

**Signed
Date**

CHIEF EXECUTIVE

on behalf of Newry, Mourne and Down District Council

NORTHERN IRELAND LOCAL GOVERNMENT BODIES'

REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2022

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 2021 were issued by the Department for Communities on 8 March 2021 (Circular LG 07/2021). Details of the allowances paid to individual councillors are published on council websites.

Following local elections on 2 May 2019, 462 councillors were elected to the 11 new councils for a four year term. Newry, Mourne and Down District Council had 41 councillors in 2021/22.

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 staff 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.

INDEPENDENT MEMBER - AUDIT COMMITTEE

Brona Slevin is an Independent Member and Chairperson of the Audit Committee. The role is to help promote the highest standards in the financial management of the Council and thereby ensure the accountability of public funds. This is a four year temporary appointment from 15 April 2019 until 31 March 2023. A payment of £500 is paid per meeting (this includes preparation time of £250 and £250 for the meeting), plus travel and expenses. In 2021/2022 she was paid £6,500 meeting allowance (at a cost of £6,624.58) with no travel costs claimed.

ALLOWANCES PAID TO COUNCILLORS

The total amount paid to Councillors by way of allowances, 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 (audited information)

Allowance	2021/22		2020/21	
	Total Allowances £	Number of Councillors receiving the Allowance	Total Allowances £	Number of Councillors receiving the Allowance
Basic Allowance	644,722	42	634,926	42
Special Responsibility Allowance	77,671	28	76,334	29
Chairperson Allowance	20,165	2	20,165	2
Vice Chairperson Allowance	6,293	2	6,293	2
Mileage Allowance	17,905	24	7,096	18
Public Transport and Other Travel Incidentals	7,557	6	508	2
Subsistence	1,581	6	150	4
Courses/ Conferences Visits (registration & joining fees)	4,465	7	8,175	6
Dependents' Carers Allowance	1,590	1	2,283	1
TOTAL ALLOWANCES	781,949	-	755,930	

Details of the allowances paid to individual councillors in 2021/22 are published on the council website at www.newrymouredown.org/councillors-allowances-and-expenses.

REMUNERATION OF SENIOR EMPLOYEES

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

Table 2: Remuneration (including salary)[audited information]

Officers	2021/22				2020/21			
	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Total £'000	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Total £'000
Marie Ward Clerk & Chief Executive	125 - 130	-	100	125 - 130	115 - 120	-	100	120 - 125
Michael Lipsett Director of Active & Healthy Communities	90 - 95	-	100	90 - 95	85 - 90	-	100	85 - 90
Dorinnia Carville Deputy Chief Executive Designate (From 01/02/2022)	90 - 95 (95 - 100 full year equivalent)	-	100	90 - 95	85 - 90	-	100	85 - 90
Roland Moore Director of Neighbourhood Services (Until 02/11/2020)	-	-	-	-	45 - 50 (85 - 90 full year equivalent)	-	100	50 - 55 (85 - 90 full year equivalent)
Conor Mallon Director of Enterprise, Regeneration & Tourism	85 - 90	-	100	85 - 90	85 - 90	-	100	85 - 90
Jonathon McBride Director of Neighbourhood Services (From 02/11/2020)	85 - 90	-	100	85 - 90	70 - 75 (80 - 85 full year equivalent)	-	200	70 - 75 (80 - 85 full year equivalent)

The role of Deputy Chief Executive is not assigned to any nominated Director position, but rather the additional responsibilities can be assigned to any substantive Director role. As such, remuneration will be paid via an honorarium allowance, added to the respective Director salary at the time of assuming this responsibility. The honorarium will continue to be paid for undertaking this role and should it become necessary for the additional responsibilities of Deputy Chief Executive to transfer to another Director position for whatever reason, payment of this honorarium allowance will cease.

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 2021/22 was £125k - £130k. This was 5.31 times the median remuneration of the workforce, which was £23,953.

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)

	2021/22	2020/21
Salary Band of Highest Paid member of the Executive Management Team/ Senior Management Team	£125k - £130k	£115k - £120k
Median Total Remuneration	£23,953	£23,080
Ratio	5.31	5.20

In 2021/22, no employees received remuneration in excess of the highest paid member of the Executive Management Team/Senior Management Team.

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

Salary

"Salary" includes gross salary, overtime, and any 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. The bonuses reported in 2021/22 relate to performance in 2021/22.

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.

Exit Packages for staff

The number of exit packages provided to all staff by the Council, 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 2021/22 (audited information)

Severance Package Cost Band	2021/22				2020/21			
	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000
£0 - £20,000	0	0	0	0	0	0	0	0
£20,001 - £40,000	0	0	0	0	0	0	0	0
£40,001 - £60,000	0	0	0	0	0	0	0	0
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	1	1	160	0	0	0	0
Total	0	1	1	160	0	0	0	0

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 2021, were as follows:

Table 5: Employee Contribution Rates

Band	Range	Employee Contribution Rate	
		Main Section	50:50 Section
1	£0 - £15,000	5.5%	2.75%
2	£15,001 - £23,000	5.8%	2.90%
3	£23,001 - £38,400	6.5%	3.25%
4	£38,401 - £46,600	6.8%	3.40%
5	£46,601 - £92,300	8.5%	4.25%
6	More than £92,300	10.5%	5.25%

Employers' contribution rates are determined by the fund's actuary every three years at the triennial valuation. A formal triennial actuarial valuation of the Fund as at 31 March 2019 was carried out in 2019/20 and set the employer contribution rates for the 3 years commencing 1 April 2020 as follows:

Table 6: Employer Contribution Rates

Year	Employer Contribution Rate
1 April 2020 - 31 March 2021	19.5%
1 April 2021 - 31 March 2022	19.5%
1 April 2022 - 31 March 2023	19.5%

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 are effective from 1 April 2015.

Councillors have 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 2021/22 was £136,585.

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 2021/22 (audited information)

Officers	Accrued Pension at pension age as at 31/3/22 £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/3/22 £'000	CETV at 31/3/21 £'000	Real increase in CETV £'000
Marie Ward Clerk & Chief Executive	25 - 30 no lump sum	2.0 - 2.5 no lump sum	302	263	18
Michael Lipsett Director of Active & Healthy Communities	45 - 50 plus lump sum of 75 - 80	1.0 - 1.5 plus lump sum of (-1.0) - (-1.5)	887	831	22
Dorinnia Carville Deputy Chief Executive Designate (From 01/02/2022)	20 - 25 no lump sum	1.5 - 2.0 no lump sum	265	235	14
Roland Moore Director of Neighbourhood Services (Until 02/11/2020)	-	-	-	269	-
Conor Mallon Director of Enterprise, Regeneration & Tourism	5 - 10 no lump sum	1.5 - 2.0 no lump sum	83	60	13
Jonathon McBride Director of Neighbourhood Services (From 02/11/2020)	25 - 30 plus lump sum of 20 - 25	3.5 - 4.0 plus lump sum of 3.0 - 3.5	338	271	51

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.

Chief Executive
22 September 2022

Certificate of the Chief Financial Officer

I certify that:

- (a) the Statement of Accounts for the year ended 31st March 2022 on pages 53 to 56 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 57 to 76.

- (b) in my opinion the Statement of Accounts gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year ending 31st March 2022.

Chief Financial Officer

Date 22/09/2022

Council Approval of Statement of Accounts

These accounts will be approved by resolution of the Council/Committee on 22 September 2022.

Chairperson

Date 22/09/2022

Independent Auditor's Report to the Members of the Newry, Mourne and Down District Council

Newry, Mourne and Down District Council

Comprehensive Income and Expenditure Statement for the year ended 31 March 2022

The Comprehensive Income and Expenditure Statement 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 statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

	Notes	2021/22			2020/21		
		Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Service Expenditure							
Chief Executive	2	2,184,071	(463,191)	1,720,880	2,611,850	(1,890,495)	721,355
Corporate Services	2	19,327,914	(415,766)	18,912,148	12,919,546	(346,482)	12,573,064
Enterprise, Regeneration & Tourism	2	17,186,747	(9,184,614)	8,002,133	15,746,937	(6,463,797)	9,283,140
Neighbourhood Services	2	29,990,980	(1,896,585)	28,094,395	31,031,515	(2,449,044)	28,582,471
Active & Healthy Communities	2	17,209,327	(5,288,611)	11,920,716	17,269,860	(4,280,518)	12,989,342
Cost of Services on Continuing Operations		85,899,039	(17,248,767)	68,650,272	79,579,708	(15,430,336)	64,149,372
Other Operating Expenditure/ Income	8	635,558	(777,350)	(141,792)	2,790,271	(1,267,360)	1,522,911
Financing and Investment Income and Expenditure	9	3,482,654	(448,780)	3,033,874	3,443,066	(95,537)	3,347,529
(Surplus) or Deficit on Discontinued Operations				-			-
Share of Operating Results of associates and joint ventures	31	-	-	-	-	-	-
Net Operating Expenditure		90,017,251	(18,474,897)	71,542,354	85,813,045	(16,793,233)	69,019,812
Taxation and Non-Specific Grant Income	10	-	(69,888,839)	(69,888,839)	-	(74,915,733)	(74,915,733)
(Surplus)/Deficit on the Provision of Services		90,017,251	(88,363,736)	1,653,515	85,813,045	(91,708,966)	(5,895,921)
(Surplus)/Deficit on revaluation of non-current assets	11			(7,968,814)			(2,509,372)
Impairment losses on non- current assets charged to the Revaluation Reserve	11			-			-
Surplus/(Deficit) arising on revaluation of available-for- sale financial assets				-			-
Remeasurements of the Net Defined Benefit Liability {Asset}	21			(24,649,000)			9,810,000
Share of Other Comprehensive Expenditure & Income of associates and joint ventures				-			-
Other Comprehensive Income and Expenditure				(32,617,814)			7,300,628
Total Comprehensive Income and Expenditure				(30,964,299)			1,404,707

Newry, Mourne and Down District Council**Movement in Reserves Statement for the year ended 31 March 2022**

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into 'usable reserves' (ie those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustment required to return to the amounts chargeable to council tax for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

	General Fund Summary	Other Fund Balances and Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£	£	£	£	£	£
Balance as at 1 April 2020	11,708,865	747,613	-	12,456,478	41,922,709	54,379,187
Movement in reserves during the year						
Surplus/ (Deficit) on the provision of services	5,895,921	-	-	5,895,921	-	5,895,921
Other Comprehensive Income and Expenditure	-	-	-	-	(7,300,628)	(7,300,628)
Total Comprehensive Income and Expenditure	5,895,921	-	-	5,895,921	(7,300,628)	(1,404,707)
Adjustments between accounting basis & funding under regulations	9,778,230	-	-	9,778,230	(9,804,870)	(26,640)
Net increase before transfers to Statutory and Other Reserves	15,674,151	-	-	15,674,151	(17,105,498)	(1,431,347)
Transfers to / from Statutory and Other Reserves	(8,154,749)	8,154,749	-	-	-	-
Increase/ Decrease in year	7,519,402	8,154,749	-	15,674,151	(17,105,498)	(1,431,347)
Balance as at 31 March 2021	19,228,267	8,902,362	-	28,130,629	24,817,211	52,947,840
Movement in reserves during the year						
Surplus/ (Deficit) on the provision of services	(1,653,515)	-	-	(1,653,515)	-	(1,653,515)
Other Comprehensive Income and Expenditure	-	-	-	-	32,617,814	32,617,814
Total Comprehensive Income and Expenditure	(1,653,515)	-	-	(1,653,515)	32,617,814	30,964,299
Adjustments between accounting basis & funding under regulations	9,383,657	(216,572)	-	9,167,085	(9,167,085)	-
Net increase before transfers to Statutory and Other Reserves	7,730,142	(216,572)	-	7,513,570	23,450,729	30,964,299
Transfers to / from Statutory and Other Reserves	(15,808,275)	15,808,275	-	-	-	-
Increase in year	(8,078,133)	15,591,703	-	7,513,570	23,450,729	30,964,299
Balance as at 31 March 2022	11,150,134	24,494,065	-	35,644,199	48,267,940	83,912,139

Newry, Mourne and Down District Council
Balance Sheet as at 31 March 2022

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. 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. The second category of reserves is those that the Council 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'.

	Note	31st March 2022	31st March 2021
		£	£
Fixed Assets	11	194,519,563	186,642,457
Long Term Investments	16	-	-
Investment in Associates and Joint Ventures		-	-
Long Term Debtors	15	80,351	115,864
Contract Assets		-	-
Contract Costs		-	-
LONG TERM ASSETS		194,599,914	186,758,321
Short Term Investments	16	-	-
Inventories	14	575,385	507,890
Short Term Debtors	15	14,609,991	9,825,600
Cash and Cash Equivalents	25	24,545,212	16,224,381
Assets Held for Sale	11	-	-
CURRENT ASSETS		39,730,588	26,557,871
Bank Overdraft	25	8,679	-
Short Term Borrowing	17	10,342,321	10,416,318
Short Term Creditors	18	21,035,112	13,204,270
Provisions	19	2,843,669	500,000
CURRENT LIABILITIES		34,229,781	24,120,588
Long Term Creditors	18	-	-
Provisions	19	2,568,346	3,178,207
Long Term Borrowing	17	59,365,236	63,707,557
Other Long Term Liabilities	21	54,255,000	69,362,000
Donated Assets Account	22	-	-
Capital Grants Receipts in Advance	23	-	-
LONG TERM LIABILITIES		116,188,582	136,247,764
NET ASSETS		83,912,139	52,947,840
USABLE RESERVES			
Capital Receipts Reserve	26	-	-
Capital Fund	26	15,000,000	-
Other Balances and Reserves	26	9,494,065	8,902,362
General Fund	26	11,150,134	19,228,267
		35,644,199	28,130,629
UNUSABLE RESERVES			
Capital Adjustment Account	27	44,288,017	41,797,916
Revaluation Reserve	27	59,738,922	53,993,812
Pensions Reserve	27	(54,255,000)	(69,362,000)
Accumulated Absences Account	27	(617,371)	(479,663)
Provisions Discount Rate Reserve	27	(886,628)	(1,132,854)
		48,267,940	24,817,211
NET WORTH		83,912,139	52,947,840

Newry, Mourne and Down District Council**Cash Flow Statement at 31 March 2022**

The Cash Flow Statement 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 (ie borrowing) to the Council.

	Note	2021/22	2020/21
		£	£
Net Surplus/(Deficit) on the provision of services		(1,653,515)	5,895,921
Adjustment for non-cash movements	25	19,069,966	16,505,093
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	25	(5,014,401)	(7,972,859)
Net cash flows from operating activities	25	12,402,050	14,428,155
Cash flows from Investing Activities	25	326,421	2,416,686
Net Cash flows from Financing Activities	25	(4,416,318)	(720,692)
Net increase or decrease in cash and cash equivalents		8,312,153	16,124,149
Cash and cash equivalents at the beginning of the reporting period		16,224,381	100,235
Cash and cash equivalents at the end of the reporting period		24,536,534	16,224,384

Newry, Mourne and Down District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting Policies

a General Principles

The Statement of Accounts summarises the Council's transactions for the 2021/22 financial year and its position at the year-end of 31 March 2022. 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 2021/22, 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 2021/22 also requires disclosure in respect of:

Summary of Significant Accounting Policies

i) Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.

- 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 receivable on investments and payable on borrowings is accounted for respectively as income and expenditure 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) **Acquisitions and Discontinued Operations**

Newry, Mourne and Down District Council has not acquired operations (or transferred operations under machinery of government arrangements) during the financial year.

The Council has not discontinued any operations (or transferred operations under combinations of public sector bodies) during the financial year.

iii) **Provision for Single Status, Job Evaluation and Pay and Grading Reviews**

As each of the legacy councils had substantially completed its Single Status, Job Evaluation and Pay and Grading Reviews, Council has not acquired an opening provision for such matters. As the staff of the former legacy councils and those transferring in from the Department of the Environment's Planning Service are protected by the Transfer of Protected Undertakings Act (Northern Ireland) 2006 (TUPE), Council has not sought to amend these employees' terms and conditions of employment. Appropriate provision will be made for any financial consequences of employees' terms and conditions as and when required.

iv) **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 highly liquid investments that mature within the agreed time frame or less 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.

v) **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.

vi) **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.

vii) **Employee Benefits**

Short-term employee benefits are those due to be settled wholly 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 (or any form of leave, eg time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

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 in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

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 over the duration of the Employer's liabilities.

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 the following components:

Service cost comprising:

Current Service Cost – the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked

Past Service Cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statements.

Within Financing and Investment Income and Expenditure

Net interest on the net defined benefit liability (asset), – ie net interest expense for the Council, the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement - this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period - taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

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) charged to the Pensions Reserve as Other Comprehensive Income and Expenditure. 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 net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, charged to the Pensions Reserves as Other Comprehensive Income and Expenditure.

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, this means that there are transfers 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.

The Northern Ireland Civil Service (NICS) Pension Scheme

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

viii) **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:

- 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
- 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 Statement of Accounts may subsequently be adjusted up to the date when they are authorised for issue. This date will be recorded on the Statement of Accounts and is usually the date the Local Government Auditor issues the 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.

ix) **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.

x) **Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

xi) **Financial Instruments**

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.

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

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI)

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (ie where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost 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 subsequently 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 financial assets held by the Council, 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 is the amount receivable for the year in the loan agreement.

Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General 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.

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

xii) **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.

xiii) **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:

- the Council will comply with the conditions attached to the payments, and
- 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 in the form of 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.

xiv) 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).

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 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 the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

xv) 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 consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

xvi) **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, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measureable date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

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

xvii) **Landfill Allowance Scheme**

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.

xviii) **Leases**

Leases are classified as leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment 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, plant or equipment – 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 (where ownership of the asset does not transfer to the Council at the end of the lease period).

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 contribution is made from revenue towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution 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 lease

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 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 is 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 capital receipt for the disposal of the asset is used to write down the lease 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 District rates, as the cost of non-current 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.

The Council as Lessor - Operating Lease

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.

xix) **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 in the Surplus or Deficit on the Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as assets 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 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 non-current 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.

xx) **Overheads and Support Services**

The costs of overheads and support services are not charged to service segments.

xxi) **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 does not have commercial substance (ie it will not lead to a variation in the cash flows of the Council). In the latter case, where an 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:

- Community assets and assets under construction – depreciated historical cost
- Land, buildings, infrastructure and surplus assets - held at current value
- Vehicles, plant & equipment and other assets - depreciated historical cost
- Investment assets are held at fair value
- Heritage assets are held at historical cost and not depreciated.

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 current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current 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),
- b. where there is no balance in the Revaluation Reserve or an insufficient balance, 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.

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:

- Land: Land is not depreciated as it has an infinite useful life.
- Buildings: Straight -line depreciation over useful life which depends on the type of property and use- it normally ranges from 10 to 50 years.
- Community: No determinable useful life and not depreciated held at nominal value.
- Investment: Held at market/fair value - Not depreciated
- Infrastructure: depreciation is based on a straight line basis using the remaining useful life of the asset.
- Landfill Site: End of Useful Life
- Heritage Assets: These are not normally subject to depreciation and are held at either Historic cost or insurance valuation.
- Plant and Machinery: Straight -line depreciation over useful life which depends on the type of asset and ranges from 3 to 7 years.
- Vehicles: Straight-line depreciation over 7 years.
- Information Technology: Straight-line depreciation 3 to 10 years.
- Assets Under Construction: Held at Historic Cost and are not depreciated.
- Intangibles: Software licenses and systems are depreciated over estimated useful life which is normally 3 to 10 years.

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.

xxii) **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.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, eg where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policy on impairment.

The Heritage Assets held by the Council include artefacts, historical furniture, civic items, Ross' Monument, paintings and drawings.

xxiii) **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.

xxiv) **Reserves**

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance. 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 transferred back into the General Fund Balance 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, retirement benefits and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant note to the accounts.

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

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current 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 contribution from revenue to contribute towards the reduction in its overall borrowing requirement [equal to either an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance]. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance [minimum revenue provision (MRP)] or the Statutory Repayment of Loans Fund Advances], by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

xxvi) **Revenue Expenditure Funded from Capital under Statute**

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.

xxvii) **Value Added Tax**

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

xxix) **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 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 Council 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 Council 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 Council'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

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires an authority to disclose information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would result in an impact on disclosures spanning two financial years.

The implementation of IFRS 16 Leases has been deferred until 1 April 2024.

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 judgements made in the Statement of Accounts are:

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 AON Hewitt is engaged to provide the Council with expert advice about the assumptions to be applied. The pension figures disclosed in these financial statements are sensitive to the assumptions used.

The calculation of the necessary financial provision for the capping and aftercare costs for the landfill sites depends on a judgement around the appropriate discount rate to be used and the number of years over which these costs are needed to be provided. The landfill provision figures are sensitive to the assumptions used.

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 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Valuations of Land and Buildings are carried out externally by Land and Property Services (LPS), in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS). As at the valuation date, LPS considers that the pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence at, or returning to, levels where an adequate quantum of market evidence exists upon which to base opinions of value. This is true of local property market sectors relating to each of the asset types identified and valued. Accordingly, and for avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VP3 and VPGA 10 of the RICS Valuation - Global Standards.

2

a Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's [directorates/ services/ departments]. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

	2021/22			2020/21		
	Net Expenditure Chargable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£	£	£	£	£	£
Chief Executive	1,718,401	(2,479)	1,720,880	718,922	(2,433)	721,355
Corporate Services	14,685,621	(4,226,527)	18,912,148	13,347,335	774,271	12,573,064
Enterprise, Regeneration & Tourism	3,829,187	(4,172,946)	8,002,133	4,112,555	(5,170,585)	9,283,140
Neighbourhood Services	25,870,403	(2,223,997)	28,094,395	23,969,472	(4,612,999)	28,582,471
Active & Healthy Communities	9,809,160	(2,111,556)	11,920,716	8,191,269	(4,798,073)	12,989,342
Net Cost of Services	55,912,772	(12,737,500)	68,650,272	50,339,553	(13,809,819)	64,149,372
Other Income and Expenditure	(63,642,914)	3,353,843	(66,996,757)	(66,013,704)	4,031,589	(70,045,293)
Surplus or Deficit	(7,730,142)	(9,383,657)	1,653,515	(15,674,151)	(9,778,230)	(5,895,921)
Opening General Fund			19,228,267			11,708,865
Surplus/ (Deficit) on General Fund Balance in Year			(8,078,133)			7,519,402
Closing General Fund			11,150,134			19,228,267

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b

Note to the Expenditure and Funding Analysis

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

Adjustments between Funding and Accounting Basis 2021/22

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Statutory Adjustments	Other non-statutory Adjustments	Total adjustments
	£	£	£	£	£
Chief Executive	-	-	(2,479)	-	(2,479)
Corporate Services	3,937,917	(8,137,000)	(27,444)	-	(4,226,527)
Enterprise, Regeneration & Tourism	(4,119,077)	-	(53,869)	-	(4,172,946)
Neighbourhood Services	(2,433,102)	-	209,110	-	(2,223,992)
Active & Healthy Communities	(2,094,755)	-	(16,801)	-	(2,111,556)
Net Cost of Services	(4,709,017)	(8,137,000)	108,517	-	(12,737,500)
Other Income and Expenditure from the Expenditure and Funding Analysis	4,758,843	(1,405,000)	-	-	3,353,843
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	49,826	(9,542,000)	108,517	-	(9,383,657)

Adjustments between Funding and Accounting Basis 2020/21

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Statutory Adjustments	Other non-statutory Adjustments	Total adjustments
	£	£	£	£	£
Chief Executive	-	-	(2,433)	-	(2,433)
Corporate Services	5,352,621	(4,564,000)	(14,350)	-	774,271
Enterprise, Regeneration & Tourism	(5,124,654)	-	(45,931)	-	(5,170,585)
Neighbourhood Services	(4,466,731)	-	(146,268)	-	(4,612,999)
Active & Healthy Communities	(4,778,128)	-	(19,945)	-	(4,798,073)
Net Cost of Services	(9,016,892)	(4,564,000)	(228,927)	-	(13,809,819)
Other Income and Expenditure from the Expenditure and Funding Analysis	5,212,589	(1,181,000)	-	-	4,031,589
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(3,804,303)	(5,745,000)	(228,927)	-	(9,778,230)

Adjustments for Capital Purposes

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 and for:

- i) Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- ii) 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.
- iii) 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.

Net change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

For Services: this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.

For Financing and investment income and expenditure: the net interest on the defined benefit liability is charged to the CIES.

Other statutory differences

Other statutory adjustments between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

For Financing and investment income and expenditure the other statutory adjustments column recognises adjustments to General Fund for the timing differences for premiums and discounts.

The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulated district rates and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code.

Other non-statutory adjustments

The reportable segments are based on the organisational structure of the Council comprising the Chief Executive's department and four directorates.

Newry, Mourne and Down District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2022

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c Segmental Income and Expenditure (Current Year)

Income and expenditure on a segmental basis are analysed below:

	2021/22								
	Revenue from External Customers	Revenues from Transactions with Other Operating Segments of the Authority	Interest Revenue	Interest Expense	Depreciation and Amortisation	Material Items of Income and Expense	Interest in the Profit or Loss of Associates and Joint Ventures Accounted for by the Equity Method	Income Tax Expense or Income	Material Non cash items other than Depreciation and Amortisation
	£	£	£	£	£	£	£	£	£
Chief Executive	(36,356)	-	-	-	-	396,852	-	-	-
Corporate Services	(371,187)	-	(8,776)	2,059,581	555,083	4,769,237	-	-	4,115,973
Enterprise, Regeneration & Tourism	(3,884,248)	-	-	-	1,820,831	1,785,210	-	-	2,298,246
Neighbourhood Services	(1,320,573)	-	-	-	2,484,647	17,396,500	-	-	(54,518)
Active & Healthy Communities	(1,497,197)	-	-	-	2,242,691	5,560,974	-	-	(147,936)
Total Income Analysed on a segmental basis	(7,109,561)	-	(8,776)	2,059,581	7,103,252	29,908,773	-	-	6,211,765

Segmental Income and Expenditure (Comparative Year)

	2020/21								
	Revenue from External Customers	Revenues from Transactions with Other Operating Segments of the Authority	Interest Revenue	Interest Expense	Depreciation and Amortisation	Material Items of Income and Expense	Interest in the Profit or Loss of Associates and Joint Ventures Accounted for by the Equity Method	Income Tax Expense or Income	Material Non cash items other than Depreciation and Amortisation
	£	£	£	£	£	£	£	£	£
Chief Executive	5,600	-	-	-	-	(794,063)	-	-	-
Corporate Services	(264,779)	-	(3,867)	2,243,888	473,379	4,663,203	-	-	5,796,000
Enterprise, Regeneration & Tourism	(3,217,546)	-	-	-	1,775,802	3,754,773	-	-	3,348,852
Neighbourhood Services	(1,081,034)	-	-	-	2,631,329	16,061,952	-	-	1,835,402
Active & Healthy Communities	(364,048)	-	-	-	2,269,486	4,641,232	-	-	2,508,641
Total Income Analysed on a segmental basis	(4,921,807)	-	(3,867)	2,243,888	7,149,996	28,327,097	-	-	13,488,895

Covid Funding

The following amounts of Covid Funding received have been included in 'Material Items of Income and Expense' above:

	2021/22	2020/21	
	£	£	
Chief Executive	(379,307)	(1,890,790)	HMRC Furlough Income
Corporate Services	-	-	
Enterprise, Regeneration & Tourism	-	(1,906,000)	DfC Covid-19 Recovery Revitalisation programme
Enterprise, Regeneration & Tourism	(3,515,000)	-	DfC Covid Recovery Small Settlements Scheme
Neighbourhood Services	(581,337)	(1,347,184)	DAERA Covid Funding
Active & Healthy Communities	(538,339)	(896,970)	DfC Covid-19 Community Support Funding *
Total	(5,013,983)	(6,040,944)	

In addition, Department for Communities (DfC) Covid Funding Support of £1,753,397 (2020/21 £5,606,427) has been included in Taxation and Non-Specific Grant 1 detailed at Note 10a.

The amount of Covid funding received but not expended during 2021/22 has been transferred to Usable Reserves as outlined at Note 26c (ii) and (iii).

* DfC Community Support Fund (Tranche 1 - 3), Access to Food Partnership Fund, Financial Inclusion Partnership Fund, Food & Essential Supplies Fund, Warm, Well and Connected Fund, Volunteering Support Fund, 2021/22 £143,729 (2020/21 £896,970).

* DfC Community Support Fund - Support to Community Development and Advice, Covid-19 Financial Inclusion and Social Supermarket Support Fund, 2021/22 £394,610 (2020/21 £Nil).

3 a Expenditure and Income Analysed by Nature

Expenditure		2021/22	2020/21
	Notes	£	£
Employee Benefits Expenses	7	(35,348,952)	(34,027,666)
Other Services Expenditure		(45,612,653)	(39,970,990)
Support Service Recharges		-	-
Depreciation, Amortisation, Impairment	11	(5,572,992)	(6,848,412)
Interest Payments	9	(3,464,281)	(3,424,888)
Loss on the Disposal of Assets	8	-	(1,522,911)
Other Expenditure		(18,373)	(18,178)
Total Expenditure		(90,017,251)	(85,813,045)

Income		2021/22	2020/21
	Notes	£	£
Fees, Charges and other service income		17,884,325	16,697,696
Interest and Investment Income	9	9,866	5,276
District rate income	10	58,720,377	57,609,682
Government grants and Contributions	10	11,168,462	17,306,051
Support Service Income		-	-
Gain on the Disposal of Assets		141,792	-
Other Income		438,914	90,261
Total Income		88,363,736	91,708,966
Surplus or (Deficit) on the Provision of Services		(1,653,515)	5,895,921

b Revenue from contracts with service recipients

The Council does not receive material revenue from contracts with service recipients.

4 Adjustments between an Accounting Basis and Funding Basis under Regulations
a Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:

	Notes	2021/22		2020/21	
		£	£	£	£
Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:					
Impairments (losses & reversals) of non-current assets		-	-	-	-
Derecognition (other than disposal) of non-current assets	11	-	-	-	-
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	11	(1,530,260)		(301,583)	
Depreciation charged in the year on non-current assets	11	7,103,252	5,572,992	7,149,995	6,848,412
Net Revenue expenditure funded from capital under statute	12		3,249,026		7,964,479
Carrying amount of non current assets sold	8	635,558		2,790,271	
Proceeds from the sale of PP&E, investment property and intangible assets	8	(777,350)	(141,792)	(1,267,360)	1,522,911
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements			-		-
Net charges made for retirement benefits in accordance with IAS 19	21		14,546,000		10,721,000
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	21		(5,004,000)		(4,976,000)
Capital Grants and Donated Assets Receivable and Applied in year	10		(4,237,051)		(6,705,499)
Capital Grants Receivable and Unapplied in year	10C		-		-
Rates Claw-Back Reserve			-		-
Adjustments in relation to Short-term compensated absences	27		137,708		126,020
Adjustments in relation to Lessor Arrangements			-		-
Landfill Regulations Reserve Adjustment	27		-		-
Provisions Discount Rate Reserve Adjustment	27		(246,226)		102,907
Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year					
Statutory Provision for the financing of Capital Investment	12		(4,493,000)		(5,826,000)
Direct revenue financing of Capital Expenditure	12		-		-
			9,383,657		9,778,230

	Notes	2021/22		2020/21	
		£	£	£	£
Net transfers (to)/from statutory and other earmarked reserves:					
Capital Fund					
Interest		-	-	-	-
From Capital		-	-	-	-
Other	26	(15,000,000)	(15,000,000)	627,613	627,613
Renewal and Repairs Fund					
Interest		-	-	-	-
Other	27	-	-	-	-
Capital Receipts Reserve					
Interest		-	-	-	-
Other	27	-	-	-	-
Other Funds and earmarked reserves					
Interest		-	-	-	-
From Other funds		-	-	-	-
Other	26	(808,275)	(808,275)	(8,782,362)	(8,782,362)
Unusable reserves					
Capital Adjustment Account		-	-	-	-
			(15,808,275)		(8,154,749)

5 Cost of Services on Continuing Operations**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 benefiting the area or its residents nor is it limited by existing powers.

The actual expenditure under the power of competence amounted to £0 during 2021/22 (£0 in 2020/21).

b External Audit Fees

The Council has incurred the following costs relating to the annual audit of the Statement of Accounts, certification of grant claims and other services provided by the Council's external auditors.

	2021/22	2020/21
	£	£
External Audit Fees	71,500	68,000
National Fraud Initiative Fees	-	1,244
Other Fees	21,000	5,250
	92,500	74,494

The other fees of £21,000 (2020/21 £5,250) were incurred in respect of performance audit services provided by the appointed auditor.

**6 Operating and leases
Council as Lessor****a leases (Council as lessor)**

The Council has no finance leases as lessor.

b Operating Leases (Council as lessor)

Rental Income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £317,223 (2020/21 £284,611).

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

	31st March 2022	31st March 2021
	£	£
Not later than 1 year	281,376	233,446
Later than 1 year and no later than 5 years	432,995	467,685
Later than 5 years	604,983	268,786
	1,319,354	969,917

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

	31st March 2022	31st March 2021
	£	£
Investment Properties	3,670,002	3,290,002
	3,670,002	3,290,002

Council as Lessee**c leases (Council as lessee)**

The assets acquired under these leases are carried as property, plant and equipment in the Balance Sheet at the following net amounts:

	31st March 2022	31st March 2021
	£	£
Other Land and Buildings	-	-
Vehicles, Plant, Furniture and Equipment	-	-
	-	-

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Council and finance costs that will be payable by the authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

	31st March 2022	31st March 2021
	£	£
leases liabilities (net present value of minimum lease payments):		
Current	-	-
Non- Current	-	-
Finance costs payable in future years	1,971	5,297
Minimum Lease Payments	1,971	5,297

The minimum lease payments will be payable over the following periods:

	Minimum Lease Payments		lease Liabilities	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
	£	£	£	£
Not later than one year	-	-	-	-
Later than one year and not later than five years	1,971	5,297	-	-
Later than five years	-	-	-	-
	1,971	5,297	-	-

d Operating Leases (Council as lessee)

The future minimum lease payments due under non-cancellable leases in future years are:

	31st March 2022	31st March 2021
	£	£
Not later than 1 year	106,158	155,892
Later than 1 year and no later than 5 years	397,049	346,846
Later than 5 years	1,511,270	1,317,902
	2,014,477	1,820,640

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

	2021/22	2020/21
	£	£
Minimum lease payments	133,117	124,002
Contingent rentals	-	-
Less: Sublease payments receivable	-	-
Total	133,117	124,002

7 Employee Costs and Member Allowances		
a Staff Costs		
	2021/22	2020/21
	£	£
Salaries and Wages	25,953,318	25,503,530
Employers NIC	2,280,435	2,211,755
Employers Superannuation	5,113,812	5,058,963
Total staff costs	33,347,565	32,774,248

In addition, agency costs during the year amounted to £2,001,387 (2020/21 £1,253,418) and short term compensated absences during the year amounted to £137,709 (2020/21 £126,020).

The Council's current contribution rate to NILGOSC scheme is 19.5%.

At last actuarial valuation dated 31st March 2019 the funds assets meet 112% of liabilities at that date (2016 96%).

Average Number of Employees - where FTE represents fulltime equivalent employees

b Average Number of Employees		
	2021/22	2020/21
	FTE	FTE
Chief Executive	14	14
Corporate Services	111	110
Enterprise, Regeneration & Tourism	156	169
Neighbourhood Services	325	333
Active & Healthy Communities	229	245
Total Number	835	871

	2021/22	2020/21
	Actual Numbers	Actual Numbers
Full-time numbers employed	751	769
Part-time numbers employed	179	212
Total Number	930	981

c Senior Employees' Remuneration		
	2021/22	2020/21
	£	£
£50,001 to £60,000	7	4
£60,001 to £70,000	11	11
£70,001 to £80,000	-	1
£80,001 to £90,000	2	3
£90,001 to £100,000	2	-
£100,001 to £110,000	-	-
£110,001 to £120,000	-	1
£120,001 to £130,000	1	-
Total Number	23	20

d Members' Allowances		
	2021/22	2020/21
	£	£
Salaries	-	-
Basic allowance	644,722	634,926
Mayor's & Deputy Mayor's Allowance	26,458	26,458
Special Responsibility Allowances	77,671	76,334
Dependents' carers allowance	1,590	2,283
Employer costs	188,797	190,119
Mileage	17,905	7,096
Conferences and Courses	4,465	8,175
Travel & Subsistence Costs	9,138	658
Miscellaneous Costs	17,530	17,083
Severance Payments	-	-
Total	988,276	963,132

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 2016. 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 2022.

For 2021/22, employers' contributions of £335,078 were payable to the NICS pension arrangements at one of three rates in the range 28.7% to 34.2% 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 2016 was completed by the Actuary during 2018-19. This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2019. The contribution rates are set to meet the cost of the benefits accruing during 2021/22 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

No persons retired early on ill-health grounds as such the actuarial cost for employees for the early payment of retirement benefits was £nil.

8 Other Operating Income & Expenditure**a Surplus/Deficit on Non-Current Assets (excl Investment Properties)**

	2021/22	2020/21
	£	£
Proceeds from sale	(777,350)	(1,267,360)
Carrying amount of non-current assets sold (excl Investment Properties)	635,558	2,790,271
	(141,792)	1,522,911

b Other Operating Income/ Expenditure

	2021/22	2020/21
	£	£
Income	-	-
Expenditure	-	-
	-	-

	2021/22	2020/21
	£	£
Other Operating Expenditure		
(Surplus) / Deficit on Non Current Assets	(141,792)	1,522,911
Other Operating (Income) / Expenditure	-	-
	(141,792)	1,522,911

9 Financing and Investment Income and Expenditure**a Interest Payable and Similar Charges**

	2021/22	2020/21
	£	£
Lease/hire purchase interest	-	-
Bank interest	-	-
Government Loan Interest	2,059,281	2,243,888
Commercial Loan Interest	-	-
Other interest (please specify)	-	-
	2,059,281	2,243,888

b Interest and Investment Income

	2021/22	2020/21
	£	£
Bank Interest	8,777	3,867
Employee car loan interest	1,089	1,409
NIHE Loan interest receivable	-	-
Investment income on Fund Balances		
Capital Fund	-	-
Repairs & Renewals Fund	-	-
Other Funds	-	-
Other Investment income	-	-
	9,866	5,276

c Pensions interest costs and expected return on pensions assets

	2021/22	2020/21
	£	£
Net interest on the net defined benefit liability (asset)	1,405,000	1,181,000
	1,405,000	1,181,000

d Surplus/ (Deficit) on trading operations

	2021/22	2020/21
	£	£
Income from trading	-	-
Expenditure	-	-
(Surplus)/Deficit for the year	-	-

e Income, Expenditure and changes in Fair Value of Investment Properties

	2021/22	2020/21
	£	£
Income/Expenditure from Investment Properties:		
Income including rental income	(58,914)	(60,261)
Expenditure	18,373	18,178
Net income from investment properties	(40,541)	(42,083)
Surplus/deficit on sale of Investment Properties		
Proceeds from sale	-	-
Carrying amount of investment properties sold	-	-
(Surplus)/deficit on sale of Investment Properties:	-	-
Changes in Fair Value of Investment Properties		
	(380,000)	(30,000)
	(420,541)	(72,083)

Financing and Investment Income and Expenditure	2021/22			2020/21		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Interest Payable and Similar Charges	2,059,281	-	2,059,281	2,243,888	-	2,243,888
Interest and investment income	-	(9,866)	(9,866)	-	(5,276)	(5,276)
Pensions interest cost	1,405,000	-	1,405,000	1,181,000	-	1,181,000
Surplus/(Deficit) on trading operations	-	-	-	-	-	-
Other investment income	18,373	(58,914)	(40,541)	18,178	(60,261)	(42,083)
Changes in Fair Value of Investment Properties	-	(380,000)	(380,000)	-	(30,000)	(30,000)
	3,482,654	(448,780)	3,033,874	3,443,066	(95,537)	3,347,529

10 Taxation and Non Specific Grant Income

a Revenue Grants

	2021/22	2020/21
	£	£
General	(5,178,014)	(4,994,125)
Other	(1,753,397)	(5,606,427)
	<u>(6,931,411)</u>	<u>(10,600,552)</u>

Other Revenue Grants relate to Covid-19 Funding Support from the Department for Communities.

b Revenue Grants - Unapplied

The Council has no Revenue Grants Unapplied.

c Capital Grants and Donated Assets - Applied

	2021/22	2020/21
	£	£
Government & Other Grants - Conditions met and applied in year	(4,237,051)	(6,705,499)
Government & Other Grants - Transfer from receipts in advance	-	-
Donated Assets - Conditions met	-	-
Donated Assets - Transfer from donated assets creditor	-	-
	<u>(4,237,051)</u>	<u>(6,705,499)</u>

d Capital Grants - Unapplied

	2021/22	2020/21
	£	£
Government & Other Grants - Conditions met and not applied in year	-	-
Other	-	-
	<u>-</u>	<u>-</u>

e District Rates

	2021/22	2020/21
	£	£
Current year	(57,534,054)	(56,346,735)
Finalisation - previous year	(1,186,323)	(1,262,947)
Transitional Relief	-	-
Finalisation - other years	-	-
	<u>(58,720,377)</u>	<u>(57,609,682)</u>

Taxation and Non Specific Grant Income	2021/22	2020/21
	£	£
District Rate Income	(58,720,377)	(57,609,682)
Revenue Grants	(6,931,411)	(10,600,552)
Capital Grants and Contributions	(4,237,051)	(6,705,499)
	<u>(69,888,839)</u>	<u>(74,915,733)</u>

**Newry, Moume and Down District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2022**

11 a Long - Term Assets - Current Year

Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2021	30,855,912	135,891,614	956,360	100,001	19,827,787	26	3,606,487	3,284,696	194,522,883	1,549,756	666,460	196,739,099
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2021	30,855,912	135,891,614	956,360	100,001	19,827,787	26	3,606,487	3,284,696	194,522,883	1,549,756	666,460	196,739,099
Additions	7,164	883,084	-	-	496,648	-	4,455,029	-	5,841,925	3,000	-	5,844,925
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/ (decreases) to Revaluation Reserve	947,166	2,470,303	1,108	10,000	-	-	-	239,075	3,667,652	-	-	3,667,652
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	270	84,615	(661)	-	(44,541)	-	-	(20,020)	19,663	-	(10,000)	9,663
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(4,630,462)	-	-	(2,000)	(4,632,462)	-	(632,960)	(5,265,422)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	685,591	-	-	22,735	-	(708,326)	-	-	-	-	-
Reclassified to(-) / from(+) Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	31,810,512	140,015,207	956,807	110,001	15,672,167	26	7,353,190	3,501,751	199,419,661	1,552,756	23,500	200,995,917

Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2021	-	3	758,764	(1)	15,917,042	1	-	-	16,675,809	-	-	16,675,809
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2021	-	3	758,764	(1)	15,917,042	1	-	-	16,675,809	-	-	16,675,809
Depreciation Charge	-	5,428,059	30,054	-	1,134,904	-	-	-	6,593,017	-	-	6,593,017
Depreciation written out on Revaluation Reserve	-	(4,288,490)	(12,672)	-	-	-	-	-	(4,301,162)	-	-	(4,301,162)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(1,139,569)	(1,028)	-	-	-	-	-	(1,140,597)	-	-	(1,140,597)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(4,629,864)	-	-	-	(4,629,864)	-	-	(4,629,864)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	-	3	775,118	(1)	12,422,082	1	-	-	13,197,203	-	-	13,197,203
Balance as at 31 March 2022	31,810,512	140,015,204	181,689	110,002	3,250,085	25	7,353,190	3,501,751	186,222,458	1,552,756	23,500	187,798,714

b Long - Term Assets - Comparative Year												
Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2020	31,264,212	140,505,905	970,060	100,001	19,158,780	26	2,108,349	3,402,701	197,510,034	1,546,916	7,821	199,064,771
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2020	31,264,212	140,505,905	970,060	100,001	19,158,780	26	2,108,349	3,402,701	197,510,034	1,546,916	7,821	199,064,771
Additions	100,000	1,422,525	20,799	-	669,271	-	1,983,434	-	4,196,029	2,840	-	4,198,869
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/decreases to Revaluation Reserve	356,116	(2,679,786)	(22,385)	-	-	-	(59,153)	897,244	(1,507,964)	-	-	(1,507,964)
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	392,500	(1,481,684)	(12,114)	-	-	-	85,791	(104,744)	(1,120,251)	-	-	(1,120,251)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	(480,961)	(2,301,489)	-	-	(264)	-	-	-	(2,782,714)	-	(7,821)	(2,790,535)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	77,700	-	-	-	-	-	(85,791)	(77,700)	(85,791)	-	666,460	580,669
Reclassified to(-) / from(+) Held for Sale	(853,655)	426,143	-	-	-	-	(426,143)	(832,805)	(1,686,460)	-	-	(1,686,460)
Balance as at 31 March 2021	30,855,912	135,891,614	956,360	100,001	19,827,787	26	3,606,487	3,284,696	194,522,883	1,549,756	666,460	196,739,099

Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2020	-	4,871	742,410	(1)	14,624,358	1	-	-	15,371,639	-	-	15,371,639
cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2020	-	4,871	742,410	(1)	14,624,358	1	-	-	15,371,639	-	-	15,371,639
Depreciation Charge	-	5,388,291	32,365	-	1,292,948	-	-	-	6,713,604	-	-	6,713,604
Depreciation written out on Revaluation Reserve	-	(4,003,178)	(14,158)	-	-	-	-	-	(4,017,336)	-	-	(4,017,336)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(1,389,981)	(1,853)	-	-	-	-	-	(1,391,834)	-	-	(1,391,834)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(264)	-	-	-	(264)	-	-	(264)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	-	3	758,764	(1)	15,917,042	1	-	-	16,675,809	-	-	16,675,809
Net Book Values												
Balance as at 31 March 2021	30,855,912	135,891,611	197,596	100,002	3,910,745	25	3,606,487	3,284,696	177,847,074	1,549,756	666,460	180,063,290
Balance as at 31 March 2022	31,810,512	140,015,204	181,689	110,002	3,250,085	25	7,353,190	3,501,751	186,222,458	1,552,756	23,500	187,798,714

Newry, Mourne and Down District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2022

11 c Property, plant and equipment

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Buildings - 10 to 50 years straight line;
- vehicles, plant, furniture and equipment - 3 to 7 years straight line;
- infrastructure - as per Buildings;
- information technology - 3 to 10 years straight line;
- intangibles - estimated useful life.

Revaluations

The Council carries out a rolling programme that ensures that all property, plant and equipments required to be measured at current value is revalued at least every five years. All valuations were carried out externally by Land and Property Services. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on historic cost adjusted for depreciation.

Non-operational Property, Plant and Equipment (Surplus Assets)

The Council has surplus assets with a carrying value of £3,501,751 at 31st March 2022.

d Intangible Assets

The Council owns intangible assets which relate to market rights, purchased licensed software and a licence for a mountain bike site as follows:

Intangible Assets	2021/22	2020/21
	£	£
Balance at start of year:		
Gross carrying amounts	5,291,745	5,066,074
Accumulated amortisation	2,002,581	1,566,190
Net carrying amount at start of year	3,289,164	3,499,884
Additions	271,916	225,671
Derecognition - Disposals (Cost)	(217,009)	-
Amortisation for the period	(510,235)	(436,391)
Derecognition - Disposals (Amortisation)	217,009	-
Other Changes	-	-
Net carrying amount at end of year	3,050,845	3,289,144
Comprising:		
Gross carrying amounts	5,346,652	5,291,745
Accumulated amortisation	2,295,807	2,002,581
Net carrying amount at end of year	3,050,845	3,289,144

e Investment Properties

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

Investment Properties	31/03/2022	31/03/2021
	£	£
Rental Income from Investment Activities	58,914	60,261
Direct Operating expenses arising from investment properties	(18,373)	(18,178)
Net gain/(loss)	40,541	42,083

The following table summarises the movement in the fair value of investment properties over the year:

Investment Properties	2021/22	2020/21
	£	£
Balance at start of the year	3,290,002	2,240,002
Additions	-	-
Disposals	-	-
Net gains/losses from fair value adjustments	380,000	30,000
Transfers to/ from inventories	-	-
Transfers to/ from property, plant and equipment	-	1,020,000
Other changes	-	-
Balance at end of the year	3,670,002	3,290,002

Valuation process for Investment Properties

The fair value of the Council's investment property is measured annually at each reporting date. All valuations are carried out externally, in accordance with the methodologies and bases for estimate set out in the professional standards of the Royal Institution of Chartered Surveyors.

Heritage Assets

The Council's collection of Heritage Assets is reported in the Balance Sheet at insurance valuation or historic cost. These assets include museum artefacts, works of art and civic items. Ross' Monument is also included which is situated between Rostrevor and Warrenpoint.

The following table summarises the Heritage Assets held by the Council:

Heritage Assets	31/03/2022	31/03/2021
	£	£
Artefacts	531,452	531,452
Historical Furniture	81,935	81,935
Civic Items	65,600	65,600
Ross' Monument	413,911	413,911
Paintings and Drawings	459,858	456,858
Balance at end of the year	1,552,756	1,549,756

g Long-Term Assets - Leased Assets

	Vehicles	Equipment	TOTAL
	£	£	£
Cost or Valuation			
At 1 April 2021	364,473	36,626	401,099
Additions	-	-	-
Disposals	-	-	-
At 31 March 2022	364,473	36,626	401,099
Depreciation			
At 1 April 2021	364,473	36,626	401,099
Disposals	-	-	-
Provided for year	-	-	-
At 31 March 2022	364,473	36,626	401,099
Net Book Value	-	-	-

	Vehicles	Equipment	TOTAL
	£	£	£
Cost or Valuation			
At 1 April 2020	364,473	36,626	401,099
Additions	-	-	-
Disposals	-	-	-
At 31 March 2021	364,473	36,626	401,099
Depreciation			
At 1 April 2020	355,652	36,626	392,278
Disposals	-	-	-
Provided for year	8,821	-	8,821
At 31 March 2021	364,473	36,626	401,099
Net Book Value	-	-	-

h Revaluation

A valuation exercise was carried out by Land and Property Services (LPS) as at 31 March 2022 on the Council's land and buildings. As a result, the value of land and buildings have increased from £174.3 million at 31 March 2021 to £179.6 million at 31 March 2022. In light of COVID19, LPS has included a disclaimer in their report.

"Valuations of Land and Buildings are carried out externally by Land and Property Services (LPS), in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS). The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence at, or returning to, levels where an adequate quantum of market evidence exists upon which to base opinions of value. This is true of the relevant local property market sectors relating to each of the assets types identified and valued herein. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards."

12 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that is yet to be financed. The CFR is analysed in the second part of this note.

Capital Expenditure		2021/22	2020/21
		£	£
Opening Capital Financing Requirement		90,850,727	92,319,720
Capital Investment			
Property, Plant and Equipment	11	5,844,925	4,198,869
Investment Properties		-	-
Intangible Assets		271,916	225,671
Revenue Expenditure Funded from Capital under Statute			
		3,249,026	7,964,479
Investments		-	-
Other			(59,153)
Sources of Finance			
Capital Receipts		(777,350)	(1,267,360)
Government Grants and Other Contributions	10	(4,237,051)	(6,705,499)
Transfers from Earmarked Reserves		(216,572)	-
Sums set aside from Revenue:			
Direct Revenue Contributions		-	-
Minimum Revenue Provision		(4,493,000)	(5,826,000)
Closing Capital Financing Requirement		90,492,621	90,850,727
Explanation of Movements in Year		2021/22	2020/21
		£	£
Increase/(decrease) in underlying need to borrow		(358,106)	(1,468,993)
Assets acquired under leases		-	-
Assets acquired under PFI/PPP contracts		-	-
Increase/(decrease) in Capital Financing Requirement		(358,106)	(1,468,993)

13 Future Capital Commitments

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

	Gross Cost	Grant Aid	Net Cost
	£	£	£
Schemes underway	51,528,316	31,168,164	20,360,152
Other Commitments	82,486,489	27,568,669	54,917,820
Total	134,014,805	58,736,833	75,277,972

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Inventories	2021/22	2020/21
	£	£
Central Stores	383,430	313,694
Other	191,955	194,196
Total	575,385	507,890

15 Debtors			
a Long Term Debtors			
	2021/22	2020/21	
	£	£	
Government Departments	-	-	
Other Councils	-	-	
Public corporations and trading funds	-	-	
Bodies external to general government	-	-	
Employee car loans	9,307	14,195	
Revenue Grants	-	-	
Capital Grants	-	-	
Interest Receivable	-	-	
Capital Debtors	-	-	
Loans and advances	39,941	43,541	
Finance lease debtors	-	-	
Trade debtors	-	-	
NIHE Loans	-	-	
Other	31,103	58,128	
Impairment of loans and receivables	-	-	
Contract Receivables	-	-	
Total Long-Term Debtors	80,351	115,864	
b Short Term Debtors			
	2021/22	2020/21	
	£	£	
Government Departments	1,978,010	1,556,137	
Other Councils	60,307	130,199	
Public corporations and trading funds	-	-	
Bodies external to general government	-	-	
NIHE loans	-	-	
Employee car loans	9,617	13,529	
Revenue Grants	2,743,584	1,885,744	
Capital Grants	7,948,323	3,721,119	
Interest Receivable	-	-	
Capital Debtors	-	-	
Value Added Tax	1,050,186	1,366,032	
Prepayments	250,612	252,162	
Finance lease debtors	-	-	
Other	149,279	324,580	
Trade receivables	640,806	898,299	
Impairment loss - Trade receivables	(220,733)	(322,201)	
Contract Receivables	-	-	
Total Short-Term Debtors	14,609,991	9,825,600	
Total Debtors	14,690,342	9,941,464	

16 Investments

The Council has no investments.

17 Borrowings			
a Short Term Borrowing			
	2021/22	2020/21	
	£	£	
Loans re-payable within one year	10,342,321	10,416,318	
Finance lease Principal	-	-	
Total Short Term Borrowing	10,342,321	10,416,318	
b Long Term Borrowing			
	2021/22	2020/21	
	£	£	
Between 1 and 2 years	4,091,304	4,342,321	
Between 2 and 5 years	11,527,983	11,811,049	
Between 5 and 10 years	17,625,695	18,597,126	
In more than 10 years	26,120,254	28,957,061	
Government Loans Fund	59,365,236	63,707,557	
Total Borrowing	69,707,557	74,123,875	

18 Creditors			
a Short Term Creditors			
	2021/22	2020/21	
	£	£	
Government Departments	1,588,014	1,292,517	
Other Councils	3,230,245	366,327	
Public corporations and trading funds	10,002	222,380	
Bodies external to general government	-	-	
Rates clawback	-	-	
VAT	-	-	
Remuneration due to employees	2,188,240	1,951,493	
Accumulated Absences	617,371	479,663	
Loan Interest Payable	-	-	
Capital Creditors	6,288,959	4,133,682	
Receipts in advance	585,573	555,768	
Trade creditors	6,451,912	4,180,494	
Other	74,796	21,946	
Contract Payables	-	-	
Total Short Term Creditors	21,035,112	13,204,270	
Total Long Term Creditors	-	-	
Total Creditors	21,035,112	13,204,270	

The creditor balance for 'Other Councils' relates mainly to legal and waste costs.

b Payment of Invoices

The council has a target, where no other terms are agreed, of paying supplier invoices within 30 calendar days. During the year the Council paid 17,440 invoices totalling £76,564,710.

The number of disputed invoices were 113

The Council paid:
15,442 (88%) invoices with 30 calendar days target;
3,042 (17%) invoices within 10 working days target; and
1,998 invoices outside of the 30 day target.

19 Provisions						
	Balance as at 1 April 2021	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	Balance as at 31 March 2022
	£	£	£	£	£	£
Landfill Closure	3,178,207	(281,373)	(328,488)	-	-	2,568,346
Staff Costs	-	-	-	-	-	-
Restructuring Costs	500,000	2,343,669	-	-	-	2,843,669
Other	-	-	-	-	-	-
Total	3,678,207	2,062,296	(328,488)	-	-	5,412,015
Current Provisions	500,000	2,343,669	-	-	-	2,843,669
Long Term Provisions	3,178,207	(281,373)	(328,488)	-	-	2,568,346
Total	3,678,207	2,062,296	(328,488)	-	-	5,412,015
Comparative Year						
	Balance as at 1 April 2020	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	Restated Balance as at 31 March 2021
	£	£	£	£	£	£
Landfill Closure	2,935,488	314,116	(71,397)	-	-	3,178,207
Staff Costs	75,000	-	(57,312)	(17,688)	-	-
Restructuring Costs	500,000	-	-	-	-	500,000
Other	-	-	-	-	-	-
Total	3,510,488	314,116	(128,709)	(17,688)	-	3,678,207
Current Provisions	575,000	-	(57,312)	(17,688)	-	500,000
Long Term Provisions	2,935,488	314,116	(71,397)	-	-	3,178,207
Total	3,510,488	314,116	(128,709)	(17,688)	-	3,678,207

Landfill Closure

The expected cost of landfill closure and aftercare costs of £2,568,346 is based on the percentage utilisation of the landfill sites of both Drumakelly and Aughnagun and has been recognised as a provision. Aughnagun Landfill Site was closed as at 31st March 2015. Drumakelly Landfill Site ceased to take landfill on 30th April 2016. Now that the sites have closed it will take a period of time before there will be a reliable trend for closure and aftercare costs and gas generation income.

Restructuring Costs

The provision is for 'Planning for the Future' - a review of the directorate and management structures.

20 Financial Instruments

Categories of Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

Financial Assets as at 31 March 2022

	Non-Current		Current		Total
	Investments	Debtors	Investments	Debtors	
	£	£	£	£	£
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	-	80,351	15,539,421	854,631	16,474,403
Fair Value through other comprehensive income - designated equity instruments	-	-	-	-	-
Fair Value through other comprehensive income - other	-	-	9,005,791	-	9,005,791
Total Financial Assets	-	80,351	24,545,212	854,631	25,480,194
Non-Financial Assets	-	-	-	13,755,360	13,755,360
Total	-	80,351	24,545,212	14,609,991	39,235,554

Debtors at amortised cost as at 31 March 2022

	Non-Current	Current
	£	£
Trade Receivables	-	640,806
Trade Receivables - Impairment Loss	-	(220,733)
Government Departments	-	278,876
Soft Loans	39,941	3,281
Employee Car Loans	9,307	9,617
Gas Income Debtor	31,103	136,469
Other	-	6,315
Total	80,351	854,631

Financial Assets as at 31 March 2021

	Non-Current		Current		Total
	Investments	Debtors	Investments	Debtors	
	£	£	£	£	£
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	-	115,864	10,222,828	1,187,173	11,525,865
Fair Value through other comprehensive income - designated equity instruments	-	-	-	-	-
Fair Value through other comprehensive income - other	-	-	6,001,558	-	6,001,558
Total Financial Assets	-	115,864	16,224,386	1,187,173	17,527,423
Non-Financial Assets	-	-	-	8,638,427	8,638,427
Total	-	115,864	16,224,386	9,825,600	26,165,850

Debtors at amortised cost as at 31 March 2021

	Non-Current	Current
	£	£
Trade Receivables	-	898,299
Trade Receivables - Impairment Loss	-	(322,201)
Government Departments	-	276,383
Soft Loans	43,541	3,281
Employee Car Loans	14,195	13,529
Gas Income Debtor	58,128	294,497
Other	-	23,385
Total	115,864	1,187,173

Financial Liabilities as at 31 March 2022

	Non-Current		Current		Total £
	Borrowings £	Creditors £	Borrowings £	Creditors £	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	59,365,236	-	10,342,321	13,835,086	83,542,643
Total financial liabilities	59,365,236	-	10,342,321	13,835,086	83,542,643
Non-financial liabilities	-	-	-	7,200,026	7,200,026
Total	59,365,236	-	10,342,321	21,035,112	90,742,669

Financial Liabilities as at 31 March 2021

	Non-Current		Current		Total £
	Borrowings £	Creditors £	Borrowings £	Creditors £	
Fair Value through profit or loss	-	-	-	-	-
Amortised cost	63,707,557	-	10,416,318	9,635,989	83,759,864
Total financial liabilities	63,707,557	-	10,416,318	9,635,989	83,759,864
Non-financial liabilities	-	-	-	3,568,264	3,568,264
Total	63,707,557	-	10,416,318	13,204,253	87,328,128

Material soft loans made by the Council

The Council has one soft loan but does not consider this to be material.

Employee Car Loans

The Council made loans for car purchases at 31/3/2022 to 5 employees, including two members of the Senior Management Team, who are in posts that require them to drive regularly on the Council's business.

Interest is charged on the loans at Bank of England Base Rate plus 1.5%.

	2021/22 £	2020/21 £
Balance at start of year:		
Opening balance	27,723	28,566
Nominal value of new loans granted in the year	6,600	16,812
Fair value adjustment on initial recognition	-	-
Fair value of new loans	34,323	45,378
Loans repaid	(15,400)	(17,655)
Impairment losses	-	-
Increase in discounted amount	-	-
Other changes	-	-
Closing balance at end of year	18,923	27,723
Nominal value at end of year	18,923	27,723

Valuation assumptions

These loans have been valued at nominal value as they are not considered material to the Council.

Income, Expense, Gains and Losses

	2021/22	
	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure
	£	£
Interest revenue		
Financial assets measured at amortised cost	8,777	-
Total interest revenue	8,777	-
Interest expense	2,059,281	-

	2020/21	
	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure
	£	£
Interest revenue		
Financial assets measured at amortised cost	3,867	-
Total interest revenue	3,867	-
Interest expense	2,243,888	-

Fair Values of Financial Assets and Financial Liabilities

Fair Values of Financial Assets and Financial Liabilities that are not Measured at Fair Value (but for which Fair Value Disclosures are Required).

All the financial liabilities and financial assets held by the authority are classified as loans and receivables and long-term debtors and creditors and are carried in the Balance Sheet at amortised cost. The fair values calculated are as follows.

Financial Liabilities	31st March 2022		31st March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	£	£	£	£
Financial liabilities held at amortised cost (Loans)	69,707,557	70,608,353	74,123,875	82,144,382
Long-term creditors	-	-	-	-
PFI and lease liabilities	-	-	-	-
Total	69,707,557	70,608,353	74,123,875	82,144,382

The majority of the Council's portfolio of loans are held with the Government Loans Fund and carry a premature redemption penalty if the loans are repaid early.

Other financial assets and liabilities including trade receivables, trade payables and cash and cash equivalents are carried at cost as this is a fair approximation of their value.

Fair Values of Financial Assets and Financial Liabilities that are not Measured at Fair Value

	31st March 2022			
	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurements using:	£	£	£	£
Financial liabilities				
Financial liabilities held at amortised cost:				
Loans/borrowings	-	70,608,353	-	70,608,353
Total	-	70,608,353	-	70,608,353
Financial assets				
Financial assets held at amortised cost:				
Soft loans to third parties	-	62,146	-	62,146
Other financial assets	-	-	-	-
Total	-	62,146	-	62,146

	31st March 2021			
	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurements using:	£	£	£	£
Financial liabilities				
Financial liabilities held at amortised cost:				
Loans/borrowings	-	82,144,382	-	82,144,382
Total	-	82,144,382	-	82,144,382
Financial assets				
Financial assets held at amortised cost:				
Soft loans to third parties	-	74,545	-	74,545
Other financial assets	-	-	-	-
Total	-	74,545	-	74,545

The fair value for financial liabilities and financial assets that are not measured at fair value included in levels 2 and 3 in the table above have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate.

The fair value for financial liabilities and financial assets that are not measured at fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments.

Other financial assets including trade receivables and cash and cash equivalents are carried at cost as this is a fair approximation of their value.

Nature and Extent of Risks Arising from Financial Instruments

The Council's activities expose it to a variety of financial risks:

Credit Risk

Credit risks 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 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, inclusive of VAT, are analysed by age as follows:	£
Less than three months	669,203
Three to six months	34,372
six months to one year	81,385
More than one year	265,128
Total	1,050,088

The above figures include trade debts relating to car parking, government departments and other councils disclosed separately in Note 15.

Loss Allowance by Asset Class - Assets Held at Amortised Cost

Lifetime expected credit losses - not credit impaired:	£
Opening Balance as at 1 April 2021	322,201
Decrease	(101,468)
Closing Balance as at 31 March 2022	220,733

The Expected Credit Losses default rate for Council trade debt has been increased by a factor of 0.67 (2020/21 1.31) due to the changing economic conditions as a result of the Corona Virus. The factor takes account of predictions by three leading credit rating agencies.

There is no historical experience of default in relation to deposits with banks and other financial institutions. The Council manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy.

Liquidity Risk

The Council manages its liquidity position through the risk management processes set out in its annual Treasury Management Strategy and Prudential Indicators, as well as through the active management of the cash flow position. This seeks to ensure that cash is available when it is needed.

As the Council has ready access to borrowing from the Public Works Loans Board, 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 at Note 17 and other payables are due for payment within one year.

Market Risk: Interest Rates

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. The Council is in receipt of loans from the Department of Finance however these loans are at fixed concessionary interest rates that differ from the prevailing market rates.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies other than a bank account denominated in Euro. This account is used solely to facilitate the CANN Project (Collaborative Action for the Natura Network). The Council does not consider this a material exposure to loss arising from movements in exchange rates.

21 Retirement Benefits

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.

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

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

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

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

	Note	2021/22 £	2020/21 £
Net cost of services:			
Current service cost		13,141,000	9,484,000
Past service cost/(gain)		-	56,000
Gains and losses on settlements or curtailments		-	-
Net operating expenditure:			
Net Interest on net defined benefit Liability (asset)		1,405,000	1,181,000
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services		14,546,000	10,721,000
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(14,546,000)	(10,721,000)
Actual amount charged against the general fund balance for pensions in the year:			
Employers' contributions payable to scheme		5,004,000	4,976,000
Net adjustment to General Fund		(9,542,000)	(5,745,000)

The service cost figures include an allowance for administration expenses of £126k.

remeasurements recognised in Other Comprehensive Income and Expenditure	Note	2021/22 £	2020/21 £
Liability gains/(losses) due to change in assumptions		18,591,000	(48,043,000)
Liability gains/(losses) due to demographic changes		2,718,000	-
Liability experience gains/(losses) arising in the year		(633,000)	1,987,000
Actuarial gains/(losses) on plan assets		3,973,000	36,246,000
Other		-	-
Total gains/(losses) recognised in Other Comprehensive Income and Expenditure		24,649,000	(9,810,000)

Assets and liabilities in relation to retirement benefits Reconciliation of present value of the scheme liabilities:	Note	2021/22 £	2020/21 £
Balance as at 1 April		273,996,000	216,947,000
Current service cost		13,141,000	9,484,000
Interest cost		5,719,000	4,952,000
Contributions by members		1,623,000	1,601,000
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		(18,591,000)	48,043,000
Actuarial gains/losses arising from demographic changes		(2,718,000)	-
Actuarial gains/losses arising on liabilities from experience		633,000	(1,987,000)
Other (if applicable)		-	-
Past service costs/(gains)		-	56,000
Losses/(gains) on curtailments		-	-
Liabilities extinguished on settlements		-	-
Estimated unfunded benefits paid		(79,000)	(78,000)
Estimated benefits paid		(5,049,000)	(5,022,000)
Balance as at 31 March		268,675,000	273,996,000

Reconciliation of present value of the scheme assets:	Note	2021/22 £	2020/21 £
Balance as at 1 April		204,634,000	163,140,000
Interest Income		4,314,000	3,771,000
Contributions by members		1,623,000	1,601,000
Contributions by employer		4,925,000	4,898,000
Contributions in respect of unfunded benefits		79,000	78,000
Remeasurement gain/(loss)		3,973,000	36,246,000
Assets distributed on settlements		-	-
Unfunded benefits paid		(79,000)	(78,000)
Benefits paid		(5,049,000)	(5,022,000)
Balance as at 31 March		214,420,000	204,634,000

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was a gain of £8.3m (2020/21 gain of £40m).

Fair Value of Plan Assets	2021/22 £	2020/21 £
Equity investments	87,054,520	94,745,542
Bonds	83,194,960	73,054,338
Property	23,371,780	18,212,426
Cash	13,294,040	10,845,602
Other	7,504,700	7,776,092
	214,420,000	204,634,000

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):

	2021/22 £	2020/21 £
Fair Value of Employer Assets	214,420,000	204,634,000
Present value of funded defined benefit obligation	(267,699,000)	(272,911,000)
Pension asset/(liability) of Funded Scheme	(53,279,000)	(68,277,000)
Present Value of unfunded defined benefit obligation	(976,000)	(1,085,000)
Other movement in the liability (asset) (if applicable)	-	-
Net asset/(liability) arising from the defined benefit obligation	(54,255,000)	(69,362,000)
Amount in the Balance sheet:		
Liabilities	(268,675,000)	(273,996,000)
Assets	214,420,000	204,634,000
Net Asset/(Liability)	(54,255,000)	(69,362,000)

d Scheme History

Analysis of scheme assets and liabilities	2021/22 £	2020/21 £
Fair Value of Assets in pension scheme	214,420,000	204,634,000
Present Value of Defined Benefit Obligation	(268,675,000)	(273,996,000)

Surplus/(deficit) in the Scheme	(54,255,000)	(69,362,000)
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Amount recognised in Other Comprehensive Income and Expenditure:	2021/22 £	2020/21 £
Actuarial gains/(losses)	20,676,000	(46,056,000)
Expected Return on Plan Assets	3,973,000	36,246,000
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	-	-
Remeasurements recognised in Other Comprehensive Income and Expenditure	24,649,000	(9,810,000)
Cumulative actuarial gains and losses	9,244,000	(15,405,000)
History of experience gains and losses:		
Experience gains and (losses) on assets	-	-
Experience gains and (losses) on liabilities	633,000	(1,987,000)

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £269m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in a net liability of £54.3m.

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 2023

	31/03/2023 £	31/03/2023
Projected current cost	12,281,000	89.8%
Net interest on the net defined benefit liability (asset)	1,394,000	10.2%
Past service cost	-	0.0%
Gains and losses on settlements or curtailments	-	0.0%
	13,675,000	100.0%

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 2023 is £5.2m.

History of experience gains and losses

The actuarial gains/losses identified as movements on the Pensions Reserve 2021/22 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2021.

	2021/22 %	2020/21 %
Experience (gains and losses) on Assets	0.00%	0.00%
Experience gains and (losses) on Liabilities	-0.24%	0.73%

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The Council's Fund liabilities have been assessed by Aon Hewitt Limited, an independent firm of actuaries, estimates for the Council Fund being based on data pertaining to the latest full valuation of the scheme as at 31 March 2022.

Pension scheme assumptions:	2021/22		2020/21	
	%		%	
Equity investments	40.6%		46.3%	
Bonds	38.8%		35.7%	
Property	10.9%		8.9%	
Cash	6.2%		5.3%	
Other	3.5%		3.8%	
Mortality assumptions:				
Longevity at 65 current pensioners:	Years		Years	
Men		21.8		21.9
Women		25.0		25.1
Longevity at 65 for future pensioners:				
Men		23.2		23.3
Women		26.4		26.5
Inflation/Pension Increase Rate	3.00%		2.70%	
Salary Increase Rate	4.50%		4.20%	
Expected Return on Assets	0.00%		0.00%	
Discount Rate	2.70%		2.10%	
Pension accounts revaluation rate	3.00%		2.70%	

Pension Assumptions Sensitivity Analysis

The pension figures disclosed in these financial statements are sensitive to the assumptions used.

The approximate impact of changing key assumptions on the present value of the funded defined benefit obligation as at 31 March 2022 is set out below.

In each case, only the assumption noted below is altered; all other assumptions remain the same and are summarised in the disclosure above.

Funded Pension Scheme Benefits

Discount Rate Assumption		
	+0.1%p.a.	-0.1%p.a.
Adjustment to discount rate		
Present value of the total obligation	262,613,000	272,785,000
% change in the present value of the total obligation	-1.90%	1.90%
Projected service cost	11,876,000	12,699,000
Approximate % change in projected service cost	-3.30%	3.40%
Rate of General Increase in Salaries		
	+0.1%p.a.	-0.1%p.a.
Adjustment to salary increase rate		
Present value of the total obligation	268,770,000	266,628,000
% change in the present value of the total obligation	0.40%	-0.40%
Projected service cost	12,281,000	12,281,000
Approximate % change in projected service cost	0.00%	0.00%
Rate of Increase to Pensions in Payment and Deferred Pension Assumption		
	+0.1%p.a.	-0.1%p.a.
Adjustment to pension increase rate		
Present value of the total obligation	271,714,000	263,684,000
% change in the present value of the total obligation	1.50%	-1.50%
Projected service cost	12,699,000	11,876,000
Approximate % change in projected service cost	3.40%	-3.30%
Post Retirement Mortality Assumption		
	- 1 Year	+1 Year
Adjustment to mortality age rating assumption*		
Present value of the total obligation	277,068,000	258,330,000
% change in the present value of the total obligation	3.50%	-3.50%
Projected service cost	12,772,000	11,802,000
Approximate % change in projected service cost	4.00%	-3.90%

* A rating of +1 year means that members are assumed to follow the mortality pattern of the base table above for an individual that is 1 year older than that.

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

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

	31/03/2022		31/03/2021	
	%		%	
Equity investments	40.60%		46.30%	
Government Bonds	24.10%		23.60%	
Corporate Bonds	14.70%		12.10%	
Property	10.90%		8.90%	
Cash	6.20%		5.30%	
Other	3.50%		3.80%	
Total	100.00%		100.00%	

g Northern Ireland Civil Service 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 31/03/2019. 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 2022.

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

22 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. During the year the Council had no Donated Assets and the balance on the Donated Assets Account was £Nil at 31st March 2022 (31/3/2021 £Nil).

23 Capital Grants Received in Advance

The Council has no capital grants received in advance.

24 Contingencies**a Contingent Liabilities**

The Arc 21 Joint Committee has with the approval of their participant Councils, entered into a Contingent Liability undertaking with the bidding consortium in the procurement for the Residual Waste Treatment Project and Newry, Mourne and Down District Council has agreed the legacy Down District Council's share of the contingent liability. Payments made if any in accordance with this undertaking will be funded by the participating Councils. No further information on this agreement can be disclosed due to the commercial sensitivity of the procurement process. In addition to the above, The Council is one of the parties to the successful legal action (October 2020), taken against HMRC, that charges paid since 2006 by members of the public for access to sports, recreation and leisure facilities provided by NI Councils were outside the scope of the VAT regime and that the VAT should be repaid. The Council understands that HMRC has appealed the judgement, the outcome of which will be reported to the Council in due course.

b Contingent Assets

The Council is one of the parties in the successful legal action (October 2020), taken against HMRC, that charges paid since 2006 by members of the public for access to sports, recreation and leisure facilities provided by NI Councils were outside the scope of the VAT regime and that the VAT should be repaid. The Council understands that HMRC is considering the implications of the judgement and the outcome of which will be reported to the Council in due course. An asset is not included within the Statement of Accounts, as the amount of the asset cannot be deemed virtually certain.

Newry, Mourne and Down District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2022

25 Other cash flow disclosures
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	2021/22	2020/21
		£	£
Depreciation	11	7,103,252	7,149,995
Impairment & downward revaluations (& non-sale derecognitions)	11	(1,150,260)	(271,583)
Amortisation (included with depreciation above)		-	-
(Increase)/Decrease in inventories		(67,495)	40,899
(Increase)/Decrease in Debtors		(5,082,974)	(1,554,945)
Increase/(decrease) in impairment provision for bad debts		(101,468)	(80,330)
Increase/(Decrease) in Creditors		6,837,545	2,488,914
Increase/(Decrease) in Interest Creditors		-	-
Payments to NILGOSC	20	9,542,000	5,745,000
Carrying amount of non-current assets sold	8	635,558	2,790,271
AUC/WIP written off to Net Cost of Services	11	-	59,153
Contributions to Other Reserves/Provisions		1,733,808	167,719
Movement in value of investment properties-included above in Impairment & downward revaluations (& non-sale derecognitions)		(380,000)	(30,000)
Amounts posted to CIES from Donated Assets Account	21	-	-
		19,069,966	16,505,093

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing	Notes	2021/22	2020/21
		£	£
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from the sale of PP&E, investment property and intangible assets		(777,350)	(1,267,360)
Capital grants included in "Taxation & non-specific grant income"		(4,237,051)	(6,705,499)
		(5,014,401)	(7,972,859)

b 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:

	2021/22	2020/21	2019/20
	£	£	£
Cash and Bank balances	3,533,681	2,918,093	87,305
Short Term Deposits (considered to be Cash Equivalents)	21,011,531	13,306,288	779,891
Short Term Investments (considered to be Cash Equivalents)	-	-	-
Bank Overdraft	(8,679)	-	(766,961)
	24,536,533	16,224,381	100,235

c Cash Flow Statement: Operating Activities

	2021/22	2020/21
	£	£
The cash flows from operating activities include:		
Interest received	(9,866)	(5,276)
Interest paid	2,059,281	2,243,888
	2,049,415	2,238,612

d Cash flows from Investing Activities

	2021/22	2020/21
	£	£
Purchase of PP&E, investment property and intangible assets	(5,123,544)	(4,709,551)
Purchase of Short Term Investments (not considered to be cash equivalents)	-	-
Purchase of Long Term Investments	-	-
Other Payments for Investing Activities	-	-
Proceeds from the sale of PP&E, investment property and intangible assets	777,350	1,267,360
Proceeds from Short Term Investments (not considered to be cash equivalents)	-	-
Proceeds from Long Term Investments	-	-
Capital Grants and Contributions Received	4,672,615	5,858,877
Other Receipts from Investing Activities	-	-
Net Cash flows from Investing Activities	326,421	2,416,686

e Cash flows from Financing Activities

	2021/22	2020/21
	£	£
Cash Receipts from Short and Long Term Borrowing	-	4,000,000
Other Receipts from Financing Activities	-	-
Cash payments for the reduction of the outstanding liability relating to a lease and on-Balance Sheet PFI contracts	-	(4,172)
Repayment of Short and Long Term Borrowing	(4,416,318)	(4,716,520)
Other payments for Financing Activities	-	-
Net Cash flows from Financing Activities	(4,416,318)	(720,692)

26 Usable Reserves

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	31/03/2022	31/03/2021
		£	£
At 1 April		-	-
Movement			
Disposal of Non-Current Assets/Capital Sales		777,350	1,267,360
Capital Receipts used to finance capital expenditure	3.11	(777,350)	(1,267,360)
At 31 March		-	-

b Capital Fund

This fund was established under section 56 of the Local Government Act (NI) 1972, however this section of the act was repealed under the Local Government Finance Act (Northern Ireland) 2011.

Capital Fund	Notes	31/03/2022	31/03/2021
		£	£
At 1 April		-	627,613
Transfers between statutory & other reserves & the General Fund		15,000,000	(627,613)
At 31 March		15,000,000	-

c Other Balances & Reserves

Other Balances & Reserves	Notes	31/03/2022	31/03/2021
		£	£
At 1 April		8,902,362	120,000
Transfers between statutory & other reserves & the General	4	808,275	8,782,362
Transfers between Capital Fund/Renewal & Repair Fund &	12	(216,572)	-
At 31 March		9,494,065	8,902,362

(i). Election Reserve - this reserve is used to equalise (smooth) the cost of elections by building up a fund to cover the costs of future elections by making contributions, as and when required, to the reserve. The balance at 31/3/22 is £400,000 (31/3/21 £209,500).

(ii). Covid Funding Reserve - the Department for Communities allocated funding to Councils to alleviate the impact of exceptional losses and costs incurred or estimated to be incurred as a consequence of Covid-19. This reserve was created to ring-fence the unspent funding. The balance at 31/3/22 is £1,753,397 (31/3/21 £2,459,033).

(iii). Covid Support Grants Reserve - the Department for Communities issued a range of Covid support grants during the year ended 31st March 2021 for Revitalisation and during the two years ended 31st March 2022 for Community Support. This reserve was created to ring-fence the unspent funding. The balance at 31/3/22 is £163,576 (31/3/22 £2,233,829).

(iv). Covid Revitalisation Reserve - this reserve has been created to assist with the revitalisation of the District post-Covid. The balance at 31/3/22 is £1,412,091 (31/3/21 £1,750,000).

(v). Economic Recovery Reserve - this reserve has been created to assist with the economic recovery of the District post-Covid. The balance at 31/3/22 is £2,250,000 (31/3/21 £2,250,000).

(vi). Covid Recovery Small Settlements Regeneration Reserve - the Department for Communities issued funding towards the Council's Covid Recovery Small Settlements Regeneration Programme in March 2022. The balance at 31/3/22 is £3,515,000.