

# ***Statement of Accounts***

**Newry, Mourne and Down District  
Council**

**For the Year Ended 31<sup>st</sup> March  
2025**



**Comhairle Ceantair  
an Iúir, Mhúrn  
agus an Dúin**

**Newry, Mourne  
and Down  
District Council**

## Contents Page

|                                                                                                            | Page<br>Number |
|------------------------------------------------------------------------------------------------------------|----------------|
| Narrative Report                                                                                           | 2              |
| Statement of the Council's and Chief Financial<br>Officer's Responsibilities for the Statement of Accounts | 20             |
| Annual Governance Statement                                                                                | 21             |
| Remuneration Report                                                                                        | 37             |
| Certificate of the Chief Financial Officer                                                                 | 44             |
| Council Approval of Statement of Accounts                                                                  | 44             |
| Independent Auditor's Report to the Members                                                                | 45             |
| Comprehensive Income and Expenditure Statement                                                             | 50             |
| Movement in Reserves Statement                                                                             | 51             |
| Balance Sheet                                                                                              | 52             |
| Cash Flow Statement                                                                                        | 53             |
| Notes to the Accounts                                                                                      | 54             |

## Narrative Report

### Organisational overview and external environment

Strategically located on the important eastern A1/M1 economic corridor, Newry, Mourne and Down Council has an estimated population of 181,368 and 68,397 households. The District area has a coastline of approximately 150 kilometres, and encompassing an area of 1,634 square kilometres, we have three Areas of Outstanding Natural Beauty; Mourne, Ring of Gullion, and Strangford and Lecale.

Newry, Mourne and Down District Council is one of the largest councils in Northern Ireland and has 41 elected members representing seven district electoral areas: Crotlieve, Downpatrick, Newry, Rowallane, Slieve Croob, Slieve Gullion and The Mournes.



The Council has a combined revenue of approximately £72 million, a net capital budget of approximately £101 million and circa 866 Council employees. We are responsible for providing services such as Household Waste Collection, Registration, Leisure, Environmental Health, Building Control, Economic Development and Tourism. We are also responsible for Planning and Community Planning – statutory functions transferred from central government to Northern Ireland local authorities in 2015.

The Council carry out eight principal roles:

1. Support the continued growth and development of our local economy;
2. Improve the health and wellbeing of everyone in the district;
3. Protect and enhance our environment to secure a sustainable future;
4. Support regenerative tourism opportunities which promote our culture, heritage and environment;
5. Empowering communities to play an active part in civic life;
6. Develop and revitalise our district;
7. Deliver sustainable services;
8. Represent the voice of the district with our partners.

Our [Corporate Plan \(2024-2027\)](#) sets out the strategic direction of the organisation and will continue to guide Council's activities and the allocation of resources over the next year. To support the achievement of our community planning outcomes and corporate objectives, we will continue to work closely with Government Departments and partners across the public, private, voluntary and community sectors whilst investing in our staff, ensuring they have the necessary support and resources required to provide high-quality services for all. The new Corporate Plan 2024-27 was finalised and agreed by the relevant committee in August 2024 and ratified by full Council in September 2024.

The key services delivered by the Council are outlined below under our Operational Model and the key objectives of the Council are outlined below under the Performance Report. The key deliverables for year ended 31 March 2025 reflect the priorities articulated by local people and relate to the Council's functions as both a civic leader and service provider

#### Operational model

Each year, the Council must ensure it has the resources it needs to deliver services to the standard expected by its ratepayers. Budget plans are submitted to the Strategic Policy and Resources (SP&R) committee for approval regarding what the Council hopes to do and how much it will cost. This helps the Council understand how much money is required and, taking account of other sources of income, what 'rate' needs to be set for the Council to raise the required money.

Throughout the year the Council reports to the SP&R Committee on the financial performance against agreed budget for each Directorate. 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 (Note 2) and the Movement in Reserves Statement.

The majority of the variance between budget and actual expenditure is disclosed in the Expenditure and Funding Analysis and is mainly due to accounting adjustments that are required for the purposes of preparing the financial statements, such as depreciation and impairments, fair value adjustments and IAS 19 accounting adjustments. There are also variances due to reclassification of income and expenditure to other income and expenditure for financial accounting purposes such as rental and financing activities. Each committee is responsible for the delivery of key services.

The table below highlights the performance against budget for each Directorate at 31 March 2025. These amounts do not include the accounting adjustments that are required to be included in the net expenditure for this Department in the Comprehensive Income and Expenditure Account. The net expenditure reported in the Comprehensive Income and

Expenditure Statement includes the accounting adjustments that are required for preparing the financial statements.

| DEPARTMENT                           | INCOME             |                    |                      | EXPENDITURE        |                    |                      | YTD<br>Variance<br>£ |
|--------------------------------------|--------------------|--------------------|----------------------|--------------------|--------------------|----------------------|----------------------|
|                                      | YTD<br>Budget<br>£ | YTD<br>Actual<br>£ | YTD<br>Variance<br>£ | YTD<br>Budget<br>£ | YTD<br>Actual<br>£ | YTD<br>Variance<br>£ |                      |
| Chief Executive                      | 0                  | 1,882              | 1,882                | 1,825,883          | 1,888,943          | -63,060              | -61,178              |
| Corporate Services                   | 73,579,710         | 74,397,677         | 817,967              | 17,627,235         | 15,720,107         | 1,907,128            | 2,725,095            |
| Enterprise Regeneration & Tourism    | 6,957,155          | 11,072,028         | 4,114,873            | 15,713,419         | 19,446,572         | -3,733,153           | 381,720              |
| Sustainability & Environment         | 2,854,961          | 2,922,171          | 67,210               | 38,336,495         | 39,881,943         | -1,545,448           | -1,478,238           |
| Active, Healthy Communities          | 4,416,106          | 4,619,330          | 203,224              | 14,304,898         | 13,388,498         | 916,400              | 1,119,624            |
| <b>Net District Fund Expenditure</b> | <b>87,807,932</b>  | <b>93,013,088</b>  | <b>5,205,156</b>     | <b>87,807,930</b>  | <b>90,326,063</b>  | <b>-2,518,133</b>    | <b>2,687,023</b>     |

### Financial Outlook

Despite the challenging financial position faced by the Council going into 2024/25, Directorates worked to deliver the financial budget for 2024/25. Going forward, the legacy of the cost of living crisis is still felt by many ratepayers. The Bank of England expect inflation to rise temporarily this year, to 3.7%, because of higher energy prices. Inflation is expected to fall back again to the 2% target over the medium term.

The delivery of priorities including waste and climate will require significant investment at a time when businesses and homeowners continue to deal with the cost-of-living crisis. Although investment continues throughout the District, and the Domestic Ratebase has expanded, setting budgets over the medium term will be challenging and is likely to require the realignment of existing budgets to Member agreed priorities.

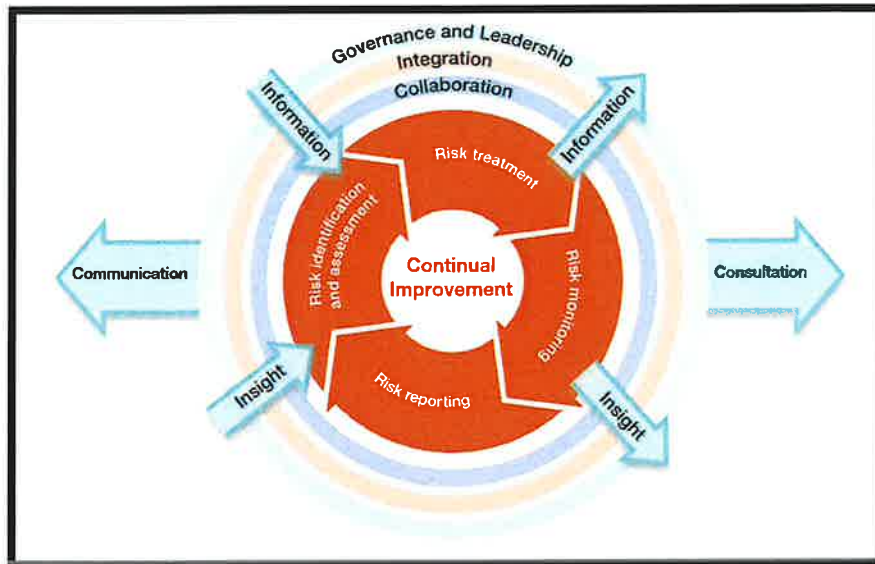
### Risks and opportunities

The Council has an embedded process to manage risks and support the achievement of its corporate objectives and performance targets. The Corporate Risk Register plays an integral role in supporting the development and production of the Corporate Plan and is subject to a quarterly review by the Audit Committee and the Senior Management Team (SMT).

In order to assist the Chief Financial Officer in fulfilling her responsibilities, the Council has put in place a process for assurance / stewardship reporting. The assurance statements should reflect any significant internal control issues in the relevant Directorate or Service Area and are timed to support the Accounting Officer in her preparation of the Annual Governance Statement. Assistant Directors and Directors provide Assurance Statements to the Chief Executive on a quarterly basis. Director Assurance Statements are considered by the SMT on a quarterly basis.

An Internal Audit of Risk Management was completed in November 2023. The Review received a satisfactory assurance rating. The Council's Risk Strategy was revised and approved by the Audit Committee in July 2021 to comply with HM Treasury's best Practice (Orange Book, Management of Risk; Principles & Concept).

The key elements of the risk management process are highlighted below:



SMT reviewed and updated the Corporate Risk Register in July 2025, based on the revised Risk Strategy and Risk Appetite of Council. The following 12 Corporate Risks were agreed:

| Risk | Description                                                                                           |
|------|-------------------------------------------------------------------------------------------------------|
| CR01 | Failure to deliver the capital investment programme for the District                                  |
| CR02 | Non-compliance with legislative requirements, including the Procurement Act 2023                      |
| CR03 | Failure to effectively manage waste                                                                   |
| CR04 | Failure to provide robust and timely planning decisions                                               |
| CR05 | Failure to adequately deliver future efficiencies and improvements                                    |
| CR06 | Failure to adequately react to a major incident which would minimise any negative consequences/impact |
| CR07 | Failure to implement an economic development programme to regenerate the district                     |
| CR08 | Failure to manage sickness absence resulting in delays and an inability to deliver Council services   |
| CR09 | Risk to the long-term financial stability of Council in relation to the delivery of Council Services  |
| CR10 | Failure to effectively plan for and manage a cyber security attack.                                   |
| CR11 | Risk of Industrial Action impacting on Service Delivery                                               |
| CR12 | Insufficient staff resources to deliver Council services in an effective and efficient manner         |

Controls are in place to manage the risks where possible, and where actions have been identified to further mitigate the risk, they are being progressed by members of SMT and the Corporate Management Teams (CMT), and progress is monitored and reported on a quarterly basis. Council currently has seven risks with red residual score ratings which are highlighted in the table above.

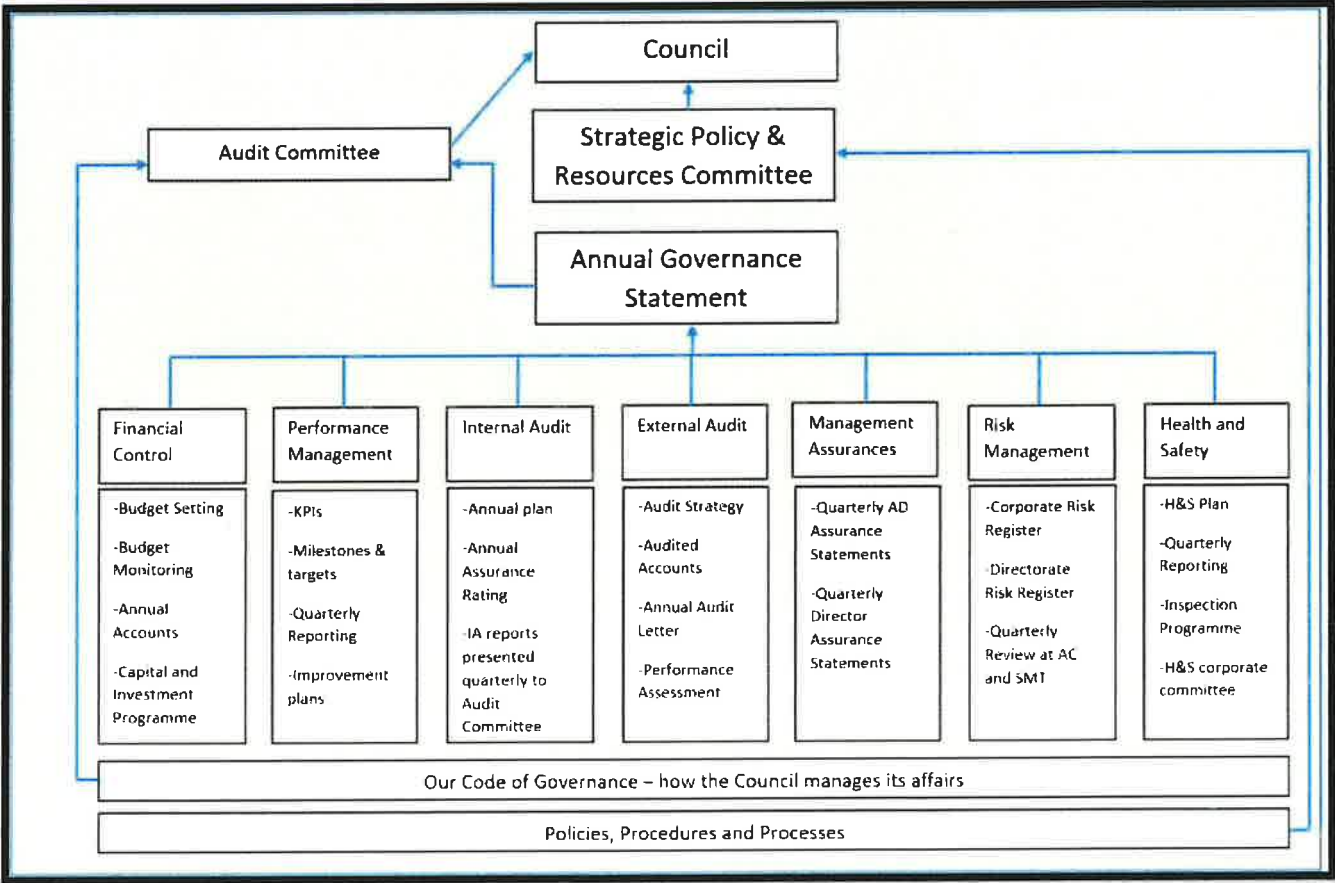
The Audit Committee also consider and review Directorate Risk Registers, on a rotational basis, as a mechanism to strengthen the alignment with the Corporate Plan and to ensure risks can be escalated and deescalated as required.

Governance

The Council's Assurance Mapping and Code of Governance was revised and approved by the Audit Committee in July 2025. The Annual Governance Statement on page 21 details the Council's Code of Governance and significant Governance issues facing the Council.

The work of Council is overseen by the committee structure and detailed further in our Governance Statement on pages 21-36. The Annual Governance Statement for 2024/25 highlights the Council's governance arrangements during the year and how significant governance issues are being addressed and actions implemented. Directors and Members have oversight in accordance with the terms of reference for the relevant Committee as well as finance reports covering all aspects of Council expenditure being presented to Committee on a quarterly basis. The Committee structure, which is based on the full council and 6 standing committees, is described in detail within the Annual Governance Statement.

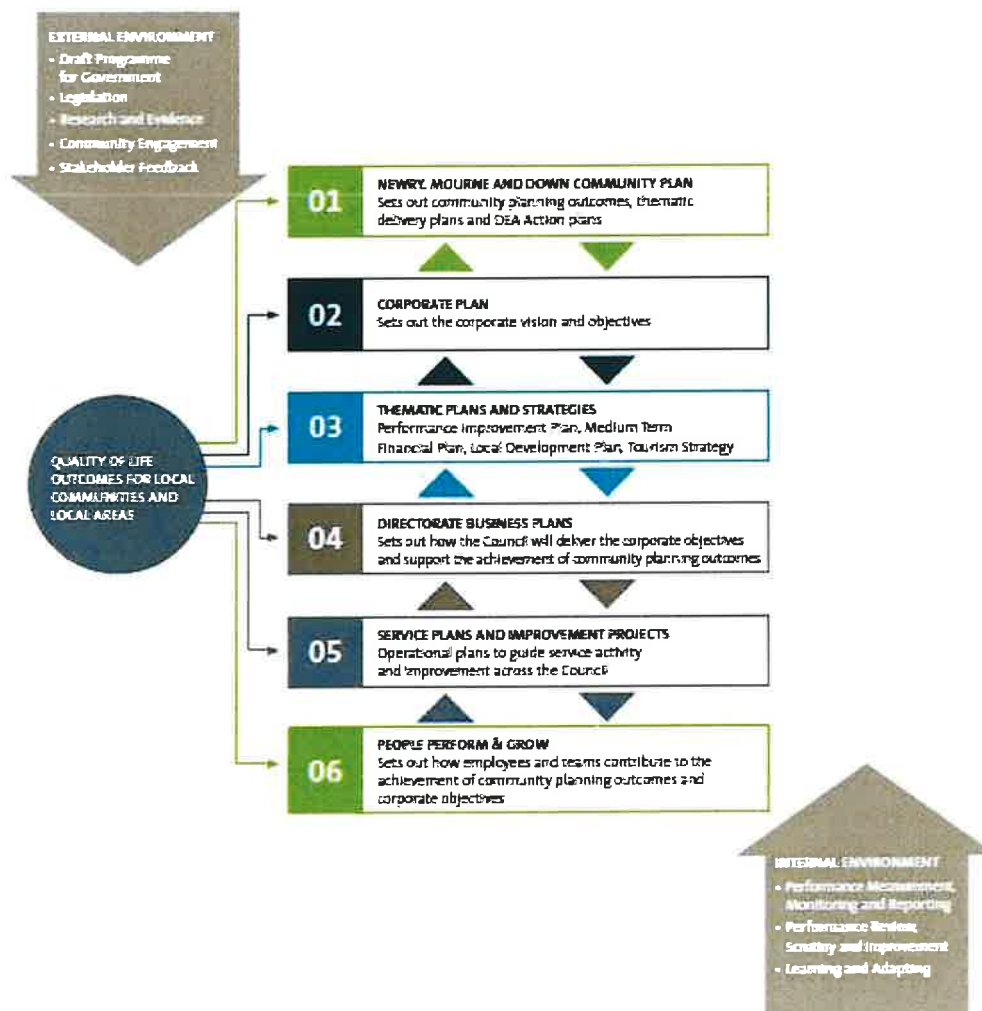
The image below illustrates the assurance framework in place within the Council which is approved annually by the Audit Committee. The framework provides information on compliance with various elements of the Council's Governance arrangements.



## Performance Report

The Council has continued to develop new policies and strategies, renew its key infrastructure, integrate, and modernise its services and meet ever increasing statutory obligations whilst managing expectations and competing demands.

The Council's Business Planning and Performance Management Framework drives and provides assurance that community planning outcomes, corporate objectives and performance improvement objectives are being delivered, with the primary goal of making life better for our citizens.



Through the Business Planning and Performance Management Framework, the Council manages performance at all levels across the organisation, to ensure the necessary steps are taken to secure continuous improvement in the exercise of functions. Each level of the Business Planning and Performance Management Framework is, and will be, accompanied by a relevant set of performance measures to monitor and assess the Council's progress in improving the quality of life for local communities.

The table below provides a description of the various plans and strategies that form part of the Council's Business Planning and Performance Management Framework.

|                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Community Plan                         | The Community Plan for Newry, Mourne and Down sets out the long-term vision for improving the economic, social and environmental wellbeing of the District. Developed in collaboration with partners across the statutory, business and voluntary sectors, the Community Plan is underpinned by Priority Actions Areas and seven DEA Action Plans, which seek to deliver the five community planning outcomes at a local level. Progress in implementing the Community Plan is reviewed on a biennial basis. |
| Corporate Plan                         | The Corporate Plan 2024-27 sets out the vision, values and strategic objectives for the Council. Each strategic objective is underpinned by 'supporting actions' and 'measures of success'. Progress in delivering the Corporate Plan is reported annually through the Assessment of Performance.                                                                                                                                                                                                            |
| Thematic Plans and Strategies          | The Council has put in place a number of Thematic Plans and Strategies to support the implementation of the Community Plan and Corporate Plan, including the Performance Improvement Plan, Medium Term Financial Plan and Regeneration and Economic Development Strategy. These plans provide the strategic context for multiple programmes of work across the organisation.                                                                                                                                 |
| Directorate Business Plans             | Business Plans are developed annually to demonstrate how Directorates contribute to the achievement of community planning outcomes, corporate objectives and performance improvement objectives. Directorate Business Plans include suites of key performance measures to measure progress and drive continuous improvement, with performance being monitored and reviewed bi-annually by the relevant Committee.                                                                                            |
| Service Plans and Improvement Projects | Service Plans and Improvement Projects are operational and set out the direction for service areas across the Council. They outline how each service contributes to the delivery of community planning outcomes, corporate objectives and performance improvement objectives, include key performance measures and provide a mechanism to manage performance consistently across the organisation.                                                                                                           |
| People Perform Grow                    | The Council recognises the significant role employees play in contributing to the achievement of the Community Plan, Corporate Plan, Thematic Plans and Strategies, Directorate Business Plans and Service Plans. People Perform Grow will demonstrate the link between the work of employees and how they contribute to the achievement of key plans and strategies, as well as the outcomes experienced by local communities.                                                                              |

### Community Plan

The Living Well Together Community Plan outlines the vision for Newry, Mourne and Down to be 'a place with strong, safe and vibrant communities where everyone has a good quality of life and access to opportunities, choices and high-quality services which are sustainable, accessible and meet people's needs'. The [Community Plan](#) can be viewed on the Council's website.

Since launching the Community Plan, community planning partners and local communities have come together to deliver high quality services and positive outcomes for all. This ensures that local people have a say on the programmes and policies that are delivered in their area, based on the understanding that more can be achieved when we work together in partnership.

The Council has worked closely with community planning partners to develop actions including through running thematic summits around the themes of Housing and Health and Well-being.

As part of our statutory responsibilities under the Local Government Act (NI) 2014, the Council is required to monitor progress against the outcomes and indicators within the Community Plan every two years. The [2022-23 Statement of Progress](#) provides an overview of the key achievements of the Community Planning Partnership and can be downloaded on the Council's website.

The key achievements of the Community Planning Partnership during 2024/25 can be summarised as follows:

- Hosted a second Health and wellbeing summit in November 2024.
- The ongoing work of the Community Support Partnership providing coordinated help to vulnerable residents;
- Support for the Strategic Stakeholder Forum in providing a social supermarket within the District;
- Facilitation of a Youth Voice conference; and
- Reviewed the 'Accessible Housing' Action Plan to report on progress and identify further steps to address emerging housing issues across the district which was published on the Council website in Q2 2024-25.

#### Corporate Plan

The finalised Corporate Plan 2024-27 was approved by the Strategy, Policy & Resources Committee in August 2024, ratified by Full Council in September 2024 and has been published on the Council's website. The plan sets out the following Mission statement: *'To deliver sustainable services and empower our communities through transparent government and collaboration.'* Progress in delivering the eight strategic objectives within the Corporate Plan will be monitored, reviewed and reported on an annual basis through the Assessment of Performance.

#### Performance Improvement Plan

Part 12 of the Local Government (NI) Act 2014 sets out a General Duty of Improvement for local government, whereby all District Councils are required to put in place arrangements to secure continuous improvement in the exercise of their functions. Each financial year, Councils are required to set performance improvement objectives for the services they provide. The guidance states that performance improvement is more than quantifiable gains in service output or efficiency, or in the internal effectiveness of an organisation. Improvement should focus on activity that enhances the sustainable quality of life and environment for communities.

All of the 2025-26 performance improvement objectives have been carried forward from 2024-25 which were developed within the context of the Corporate Plan 2024-27 and 'proposals for improvement' which were recommended by the NI Audit Office.

The [Performance Improvement Plan](#) 2025-26 was approved by the SP&R Committee on 12 June 2025 and published on the Council's website ahead of the statutory deadline of 30 June 2025.

The performance improvement objectives do not describe every improvement the Council plans to make during 2025-26. Alternatively, they provide an overview of how the Council will address the issues which matter most to local communities. The Performance Improvement Objectives 2025-26 are:

1. We will support the health and wellbeing of local people by improving our leisure facilities and services
2. We will contribute to growing the economy by supporting local businesses and job creation
3. We will improve the cleanliness of our District by continuing to promote recycling and addressing littering, fly tipping and dog fouling incidents
4. We will improve our sustainability and reduce our impacts in relation to climate change
5. We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme

#### Performance 2024-25

Through the annual Assessment of Performance 2024-25, which was published in September 2025, Council has monitored progress in delivering the Corporate Plan 2024-27 and Performance Improvement Plan 2024-25, including the statutory performance indicators and standards. The table below provides an overview of performance during 2024-25.

| Performance Improvement Objective                                                                                                                                                                         | Progress                                                                                                    | Status Trend |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|--------------|
|  <p><b>We will support the health and wellbeing of local people by improving our leisure facilities and services</b></p> | 4% decrease in paid attendances at Council leisure centres                                                  | ▽            |
|                                                                                                                                                                                                           | 89% increase in the number of people participating in targeted health programmes                            | 😊 △          |
|                                                                                                                                                                                                           | 67% decrease in the number of young people participating in targeted youth health and wellbeing initiatives | 😞<br>▽       |
|                                                                                                                                                                                                           | 1.3 % increase in the number of Council leisure centre memberships                                          | 😊 △          |
|                                                                                                                                                                                                           | 4 capital leisure projects progressed                                                                       | 😊            |
|                                                                                                                                                                                                           | 25% decrease in recorded visits to community trails                                                         | 😞 ▽          |
|  <p><b>We will grow the economy by supporting local businesses and creating new jobs</b></p>                           | 206 new jobs promoted through business start activity                                                       | 😊 △          |
|                                                                                                                                                                                                           | 12 new social enterprise businesses supported and 16 new social enterprise jobs created                     | 😊 △          |
|                                                                                                                                                                                                           | 175 new enterprises created as a result of support                                                          | 😞 △          |
|                                                                                                                                                                                                           | 221 existing businesses supported to progress growth and scaling ambitions                                  | 😊 ▽          |
|                                                                                                                                                                                                           | Several 'Make it Local' campaigns rolled out across the District                                            | 😊            |
|                                                                                                                                                                                                           | 31 fixed penalty notices issued and 26 paid                                                                 | 😞 △          |
|                                                                                                                                                                                                           | 100% of community clean up requests supported                                                               | 😊            |
|                                                                                                                                                                                                           | Decrease in the rate of recycling, to 49.0%                                                                 | 😞 ▶          |

|                                                                                                                                                                                                                                                 |                                                                                                                                           |      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|------|
|  <p><b>We will improve the cleanliness of our District by addressing littering, fly tipping and dog fouling incidents</b></p>                                  | Second lowest levels of waste sent to landfill across all NI Councils                                                                     | 😊 ⚠️ |
|                                                                                                                                                                                                                                                 | 15 'Live Here, Love Here' environmental projects supported                                                                                | ⚠️   |
|                                                                                                                                                                                                                                                 | Anti-littering and responsible dog ownership campaigns rolled out                                                                         | 😊    |
|  <p><b>We will improve our sustainability and reduce our impacts in relation to climate change</b></p>                                                         | 1 vehicle within the Council fleet that has an alternative fuel source                                                                    | 😐    |
|                                                                                                                                                                                                                                                 | 0 Council supported EV charging points installed                                                                                          | 😞    |
|                                                                                                                                                                                                                                                 | 79% of Council fleet younger than 8 years.                                                                                                | 😐 ⚠️ |
|                                                                                                                                                                                                                                                 | Biodiversity Strategy 2024-30 approved and launched                                                                                       | 😊    |
|                                                                                                                                                                                                                                                 | 257 trees planted on Council managed estate                                                                                               | 😞 ⚠️ |
|  <p><b>We will improve the processing times of planning applications and enforcement cases by implementing the Planning Service Improvement Programme</b></p> | The Council received the third highest number of planning applications across the 11 Council.                                             | 😊    |
|                                                                                                                                                                                                                                                 | The average processing time for local planning applications increased from 33.7 weeks in 2023-24 to 45.2 weeks in 2024-25                 | 😞 ⚠️ |
|                                                                                                                                                                                                                                                 | The average processing time for major planning applications decreased from 154.8 weeks in 2023-24 to 29.6 weeks in 2024-25                | 😊 ⚠️ |
|                                                                                                                                                                                                                                                 | The number of planning applications in the system for 12 months or more increased from 352 by year end 2023-24 to 408 by year end 2024-25 | 😞 ⚠️ |
|                                                                                                                                                                                                                                                 | The number of enforcement cases in the system for 12 months or more decreased from 599 by year end 2023-24 to 574 by year end 2024-25     | 😞 ⚠️ |

\* The 2024-25 data in relation to the statutory performance indicators for waste management and planning remains provisional, as the end of year validated data will be published in Q3 2025-26.

## **Financial Statements**

The Council's financial performance for the year ended 31st March 2025 is as set out in the Comprehensive Income and Expenditure Statement and its financial position is as set out in the Balance Sheet and Cash Flow Statement.

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom for the year ended 31st March 2025 (the Code) and the Department for Communities Accounts Direction, Circular LG 10/2025. It is the purpose of this foreword to explain, in an easily understandable way, the financial facts in relation to the Council.

This Statement of Accounts explains Council's finances during the financial year 2024/25 and its financial position at the end of that year. It follows approved accounting standards and is necessarily technical in parts.

The purpose of the Narrative Report is to provide information on the Council, its main objectives and strategies and the principal risks it faces.

## **Group Accounts**

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

## **The Movement in Reserves Statement**

This Statement, as set out on page 51, shows the movement in the year on the different reserves held by Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Summary (CIES).

These are different from the statutory amounts required to be charged to the General Fund Balance for Local Tax purposes. The 'Net Increase/Decrease before transfers to Earmarked Reserves' line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

## **The Comprehensive Income and Expenditure Statement**

This statement, as set out on page 50, 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 rates income. Council's raise rates income to cover expenditure in accordance with regulations; this may be different from the accounting cost. The rates income position is shown in the Movement in Reserves Statement.

## **The Balance Sheet**

The Balance Sheet, as set out on page 52, shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories.

- The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of

reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).

- The second category of reserves are those that the 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'.

## **The Cash Flow Statement**

The Cash Flow Statement, as set out on page 53, 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 rates income and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

## **Basis of Preparation**

The Council's Statement of Accounts are prepared on an accruals basis and are intended to present to readers a true and fair view of financial activity during the 2024/25 year. There are strict controls governing the accounting standards that must be complied with, accounting policies must be applied on a consistent basis and officers must follow relevant accounting and disclosure requirements.

There are also materiality thresholds to be adhered to and officers are obliged to make judgements and estimates that are reasonable and prudent and have endeavours to ensure that as much information as possible has been presented to make the accounts as user friendly as possible within these limitations.

## **Expenditure and Funding Analysis**

The resourcing of the Council's activities is outlined in the Annual Report, demonstrating the funding available and what services this funding provided for 2024/25.

The objective of the Expenditure and Funding Analysis is to demonstrate to ratepayers how the funding available to Council (i.e. government grants, rates and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The main services provided under each committee are summarised in this note and performance against budget is summarised in the Narrative Report. The main variances from the results as reported in the Narrative Report will arise due to the accounting cost of providing services in accordance with generally accepted accounting practices, such as depreciation charges and IAS 19 pension adjustments which are not funded from taxation. These charges are summarised per committee in Note 2a and Note 2b.

The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

## Financial Performance

For the year ended 31 March 2025, the Council's Usable Reserves increased by £1,191k to £40,712k. The budget plans formed part of the annual estimates for 2024/25. The total gross expenditure budget for the Council was set at £87,707k. This budget was agreed as part of the rates estimates process by full Council in February 2024.

The Council reported a £2,796k surplus on service delivery at year end, this was prior to year end accounting adjustments. Performance against budget for each of the Committees is continuously monitored throughout the year. Management Accounts are presented and scrutinised quarterly at the SP&R Committee. Assistant Directors provide variance analysis reports quarterly to both the Finance Team and their Director. The year-end Management Accounts position was presented to Committee on 12 June 2025.

Operationally, Council had a small deficit. There was several non-recurring, one off savings this year which will not be realised in future years totalling £2,796k. The one-off savings included;

- Council was advised by Land and Property Services NI (LPSNI) that there is a positive rates finalisation of £1,130k based on current Actual Penny Product data and this has been reflected in these Accounts. LPSNI have indicated the positive finalisation is largely attributable to growth in the Domestic Ratebase. There has been an increase of 2.76% in real terms.
- LPSNI also advised of a positive outturn in the De-Rating Grant of £23k which has been included.
- There was significant Capital financing savings in year (loan interest and Minimum Revenue Provision (MRP)). This was due to capital projects not commencing in year as projected. Some of the significant projects which have been delayed and therefore cashflow requirement reduced.
- Investment income was greater than budget due to higher interest rates and the cashflow being greater than expected due to delays in capital projects.
- There were savings in relation to utility costs. Due to energy prices and inflation easing in year, we have achieved significant savings. The utility budgets for 2024/25 were significantly reduced to reflect the changing market (reduction of 22% on 2023/24 budgets).

Council has several significant pressures in year. The Department for Communities (DfC) advised the Council of a further Rate Support Grant (RSG) cut of £1.8m to the baseline total NI Local Government allocation to £3.1m. This has led to a RSG deficit of £656k for 2024/25 year.

Councils Insurance cost for the 2024/25 year was also £345k over budget. Our Broker stated *'that Local Authorities are in unprecedented times, and the current increasingly hardening market is accelerating in terms of capacity / rating / cover / excesses / terms & conditions – across a range of covers. This trend has been ongoing for +3 years due to a number of factors including - increase of cyber-crime, inflation rates (including building cost & claim cost), Brexit & Covid have now added to worsening conditions and increasing uncertainty.'*

Other significant overspends during the 2024/25 year include; Repairs and Maintenance costs were £467k over budget, plant and Vehicle Hire was £96k over budget and service contracts were £207k over budget.

Overall income (excluding grants and investment income) reported a £1,271k deficit against budget. Some of the most significant variances are highlighted below;

- Planning fee and building control income had a £844k deficit against budget. These are demand led services which had a significant surge during the COVID years.

- Leisure income is £398k adverse against budget. This can be attributed to the closure of Newry Pool withing NLC. The 2024/25 estimates were prepared based on a pool which was operational. Total Centre income in Newry was £778k adverse. However, there was positive variances in other centres.
- Registration income was also recorded a £24k deficit against budget, again this is a demand led service.
- Car Parking and forest park income had £265k deficit against budget, there was a larger write off this year instructed from Dfl due to the handover of contracts for off street car parking.

Environmental income was £152k greater than budget, this was attributable to an greater income stream for recyclable waste.

A surplus of £1,621k for Council payroll costs was recorded and this was due to the level of vacant posts in year. A key change when striking the Rate in 2024/25 was the inclusion of a vacancy allowance within the payroll line. This acknowledges that Council will never have a full complement of staff.

The year end amount includes payment of the National Pay Award agreed in October 2024. The new pay rates, each increased by £1,290 per employee up to Scale Point 43. For staff above scale point 43, pay increased by 2.5%. As part of the estimates process, Council had budgeted 4% per employee. Councils original estimate was almost on target with the pay award agreed.

The Cost of Services on Continuing Operations of £75.2m (2023/24 - £70.2m), as reported in the Comprehensive Income and Expenditure Statement, also includes the accounting cost of providing services in addition to the amount funded from taxation.

### **Borrowings**

For the 2024/25 year the Council has an authorised borrowing limit of £140.6m (2023/24 - £130m). This is based on the Council's forecast capital expenditure plans over the medium to long term. In conjunction with the Council's projected capital financing requirement of £130.6m (2023/24 - £120m) at year end, this ensures the Council only borrows for capital purposes.

The Council currently holds £68.4m (2023/24 - £60.3m) of loans, an increase of £8.1m on the previous financial year, as part of its strategy for funding previous years' capital programmes. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing. During the year, Council borrowed £10m from Public Works Loan Board.

### **Capital Expenditure**

The Council has an ambitious four-year capital programme of £94 million (net of funding) at February 2024. The four-year capital programme is updated and approved by Council in February each year. The investment will help Council meet the strategic objectives which are set out in the Corporate Plan. The capital plan is continually reviewed by the Strategic Finance Working Group (SFWG).

The total net expenditure reported in the Comprehensive Income and Expenditure Statement includes allocations of £7.4m (2023/24 - £7.6m) to fund completed capital expenditure.

The most significant capital projects/spend which were completed during the year include;

- |                                      |       |
|--------------------------------------|-------|
| • Fleet Acquisitions                 | £3.0m |
| • Newry Leisure Centre Capital Works | £1.9m |

- Smalls Town Programme (REFCUS) £1.4m
- IT Capital Projects (various) £0.7m
- Monkshill Cemetery £0.6m
- Newcastle Public Convenience and Changing facilities £0.5m

## Revaluation of Assets

A valuation exercise was carried out by LPSNI as at 31 March 2025 on the Council's land and buildings. As a result, the value of land and buildings have increased from £193.2m million at 31 March 2024 to £194.7m at 31 March 2025.

## Strategy and resource allocation

The Medium-Term Financial Plan was approved by Council on 5 February 2024. In accordance with the Local Government Finance Act (NI) 2011, the Chief Executive, as Chief Financial Officer is required to provide assurance to members on the robustness of the revenue estimates and the adequacy of the Council's reserves position as part of the rate setting process. Detailed estimates were formulated, presented and scrutinised by members. They considered past outturn, current spending plans and likely future demand and pressures.

When setting the district rate for 2024/25 consideration was given to the following key financial factors and uncertainties for the Council:

- Council continued to operate in unprecedented times, with high levels of inflation and increasing costs which has the equivalent adverse impact on Council as it does on our ratepayers. The future impact of inflation and interest rates rises on Council's operations, on our rate base and on our finances was uncertain, and many assumptions were included within our budgets for 2024/25.
- When Council was striking the Rate in February 2024, the NI Executive had just reformed on 3 February 2024. Therefore, no budget was set for 2024/25 and more importantly, prior to the collapse of the Assembly, Ministers were determining a three-year budget for NI (2022-25), this never materialised. This would have been a significant help to Local Councils in determining the Annual District Rate. In the absence of an agreed and legislated budget, there were some significant uncertainties which remained at the time of striking the district rate.

Included within our 2024/25 estimates were various areas of funding received from Central Government. Amounts were included based on previous arrangements with Central Government.

At the time of striking the rate, Councils had been advised of the percentage allocations of RSG being made available by the DfC for 2024/25. However, until a draft budget was agreed, the total amount of RSG to be awarded to the Local Government sector had not been confirmed.

- Various uncertainties remained as to the impact of Brexit and the Windsor Framework on the NI Economy, the NMDDC rate base and funding streams, and no provisions were made in the estimates for any financial implications arising. Furthermore, included within our 2024/25 estimates were various areas of funding received from the European Union under programmes which were advised will continue during the 2024/25 year and into future years.

Other factors leading to the 2024/25 rate increase included;

- A 4% pay award per employee was estimated. An allowance was included within our estimates for vacancies within salaried posts. The vacancy allowance was for salaried staff only.
- The increased tonnages and associated costs of waste and recycling across the District were factored into the 2024/25 budgets. Waste contracts are linked with CPI, which was 4% in December 2023.
- The Council Insurance budget increased significantly based on 2023/24 actuals. Our Brokers stressed that the restricted market for Local Authority risks is reflecting the hardening of the wider market - with few potential new entrants to what is an already limited market.

A detailed cashflow was prepared by Management and reviewed by the Chief Executive to provide her with assurance as to Council's ability to continue as a going concern. This was reviewed and updated throughout the year.

## Outlook

The Council is fully aware that it is operating in a continually challenging environment with the cost-of-living crisis and global inflationary pressures impacting everyone within the District. The future impact of these economic pressures on operations, on the rate base and on the finances is uncertain, and many assumptions were included within budgets for 2025-26.

The Council continues to face a range of significant budget pressures including general inflation, utility prices, increases in demand for everyday services as the population grows, and increases in core costs such as wage increases, the national living wage and pension contributions. The Council will also face significant year on year increases in costs in several areas such as waste disposal costs and construction costs. Various uncertainties remain as to the impact the Windsor Framework will have on the NI Economy and the Council.

However, the Council is committed to delivering business as usual where possible and will continue to achieve the strategic objectives outlined in the Corporate Plan. The Council strives to deliver its services at the highest standards and some of our key achievements for the year are presented within our Performance Report at page 7.

The Council seeks out opportunities to pursue additional funding streams for the District, adopting innovative approaches to delivering services and working in partnership to ensure the Council optimises its resources to deliver on its eight key Corporate objectives. A few of the current significant initiatives that Council is currently developing are outlined below, along with some key successes in year;

1. City Deal – The signing of the Belfast Region City Deal (BRCD) document on 15 December 2021 is the first of its kind in Northern Ireland and confirms partners' joint commitment to fully implement and deliver on all aspects of the City Deal proposals. The £1 billion of co-investment secured from central government and the BRCD partners, will deliver a bespoke package of funding across the BRCD Region. BRCD funding has enabled Council to progress on the following ground-breaking projects that will be transformational for our district:
  - **The Mourne Mountains Gateway** The Council is actively working with all partners to secure the £30million BRCD investment in the Newry, Mourne and Down District area. The BRCD Executive Board have given NMDDC time to consider and submit an alternative proposal. However, given the time taken to fully develop a project through the business case process it is anticipated that the Council should submit any alternative proposal which aligns to the BRCD objectives to the Executive

Board within 6 – 9 months, to gain approval to progress in principle to further develop the project, this is ongoing.

- **Newry City Centre Regeneration** will deliver a civic hub, theatre and conferencing facilities which, together with new public realm and grade A office provision, will revitalise the city. The regeneration will also create and sustain jobs, increase visitor numbers, appeal to residents and stimulate the evening economy. A BRCD Contract for Funding was agreed in January 2023 for Newry City Centre Regeneration Projects supported by the Deal for which £5 million BRCD funding has been allocated for its Public Realm, along with £3 million for a Grade A Office Accommodation Fund.
- **Newry Southern Relief Road** will link the A1 bypass with the A2 Warrenpoint dual carriageway providing an alternative strategic route for traffic that reduces pressure on Newry city centre, facilitates onward travel to Dublin and improves access to other regional gateways.
- **Digital and Innovation Projects** will play a critical role in contributing to economic inclusion and sustainable growth. The key interventions of the Digital Programme include; The Belfast Region Innovation Challenge Fund, Enabling Infrastructure and Regional Innovation Hubs.
- **Skills and Employment projects** will create skills for growth, inclusion and for a digital future are key priorities for BRCD partners.

2. Newry City Park – The planning application has been submitted for Newry City Park, a transformative project poised to reshape the city's landscape. The 15-acre development at the Albert Basin site will create a world-class park for Newry residents, offering a vibrant community space designed to enhance health, fitness, and overall wellbeing, whilst also attracting more visitors to the city. The project forms part of the wider Newry City Centre Regeneration Project. Council's Outline Business Case for the park was approved by the DfC and a Contract for Funding issued in December 2023 with up to £16.2 million available from the Executive's Complementary Fund through DfC. The Council is also investing £2.4 million of funding to deliver the 15-acre City Park. It is anticipated that work in the park will commence in 2026.
3. The Digital Transformation Flexible Fund (DTFF) is administered by NMDDC, acting as the lead Council for the Full Fibre Northern Ireland (FFNI) Consortium, which includes all 11 local authorities in Northern Ireland.

DTFF is a Northern Ireland-wide £7.5m grant scheme aimed at driving digital innovation. It helps remove financial barriers to the adoption of advanced digital technologies, supporting business transformation among small and micro-sized enterprises. The programme works in close collaboration with Invest NI and Queen's University to reach and support these businesses in their digital transformation efforts.

Since its launch in November 2023, DTFF has issued four funding calls. The programme has received over 972 Expressions of Interest. As of June 2025, DTFF has awarded funding to over 172 applicants, representing a total investment of approximately £2.5 million with at least 3 further funding calls planned.

4. Castlewellan Forest Park Treetop Walk - Council has confirmed its commitment to delivering Northern Ireland's first-ever treetop walk at Castlewellan Forest Park, following the successful completion and approval of the project's Outline Business Case. Elected members agreed a series of key decisions that will allow the project to progress to the next stage of development, including; An allocation of £6.3 million from the Council's Capital Programme to support delivery of the project; The procurement and appointment of an Integrated Consultancy Team to lead on design development and the wider infrastructure required to support the Treetop Walk; and Progression of

land agreements with DAERA Forest Service to facilitate the project within Castlewellan Forest Park.

This ambitious and forward-thinking project will feature an elevated walkway through the forest canopy, giving visitors a rare opportunity to experience Castlewellan Forest Park from a completely new perspective. Designed to immerse people in nature, the treetop walk will provide a sustainable and unforgettable experience. It is set to strengthen the local tourism offering, stimulate economic growth and elevate the Park's status as a premier visitor destination.

5. Warrenpoint Community Centre – A planning application for Warrenpoint Community Centre has been submitted. The Council is providing investment for the major community project at Clonallon Park under its Capital Programme Fund. The Council plans to develop a new two-storey community facility building to include a four-court hall, changing areas, meeting rooms and activity rooms. The building incorporates features such as a Sensory Room, Children's Activity Room with dedicated outdoor terrace, music room and dance studio. A kitchen area, office space and break-out space also form part of the plans.

Externally, the proposals aim to enhance the existing user experience, with dedicated wet/dry changing facilities provided to serve the established sports pitches. Further enhancement includes new pathways connecting to the existing pedestrian network, an attractive new Health and Wellbeing Garden, hard and soft landscaped areas, street furniture and cycle and car parking facilities.

6. Local Economic Partnership - Council will deliver £4 Million of investment through a recently established Local Economic Partnership, who will jointly work to identify, prioritise and deliver local economic development projects. The investment, delivered through the Department for Economy, is part of a £45 million investment fund that aims to stimulate a regionally balanced economy where everyone shares the benefits of prosperity.
7. Levelling Up Funding – Council received £2.82m funding towards a new recreation centre at Camlough Lake. Camlough Lake is one of 10 projects across NI which have been allocated more than £71m from the UK government's Levelling Up Fund, a regional development plan to create jobs and boost the economy. Plans for a new recreation centre include an event space, toilet, showers, changing facilities, parking and enhanced access to the Lake with a slipway provision.
8. The PEACEPLUS programme – Council has been awarded funding of €8,645,533 to support the delivery of an ambitious co-designed local action plan created through the Peace Plus Partnership. The Council's Action Plan "Thriving Together" focuses on a targeted and locally based response to specific needs. The programme will engage 8,646 participants over a three-year delivery period under the following three core themes: Local Regeneration & Transformation; Thriving & Peaceful Communities and Celebrating Cultures and Diversity.

In line with all other Councils in Northern Ireland and the wider public sector, Council is facing several challenges. Public finances are under increasing pressures. Key risks and planned mitigations are included in our Annual Governance Statement on Pages 21 to 36.

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

### **The Council's Responsibilities**

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

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

These accounts were approved by the Chief Executive on 26 September 2025.

### **The Chief Financial Officer's Responsibilities**

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

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

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

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

The Chief Financial Officer is also required to:

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

## **NORTHERN IRELAND LOCAL GOVERNMENT BODIES'**

### **ANNUAL GOVERNANCE STATEMENT**

The Council's Annual Governance Statement follows the Code of Practice on Local Authority Accounting in the UK 2024/25 and DfC Accounts Directions. The Annual Governance Statement comprises the following sections:

- Scope of responsibility;
- The purpose of the governance framework;
- The governance framework;
- Review of effectiveness;
- Update on significant governance issues that were declared last year; and
- Significant governance issues for the year end 2024/25.

#### **Scope of Responsibility**

Newry, Mourne and Down District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiency and effectively.

Newry, Mourne and Down District Council also has a duty under Local Government Act (Northern Ireland) 2014 to make arrangements for continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Newry, Mourne and Down District Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has prepared an Annual Governance Statement, which is consistent with the principles of the new CIPFA/SOLACE Framework Delivering Good Governance in Local Government. This statement explains how the Council has complied with the code and meets the requirements of Regulation 4 of the Local Government (Accounts and Audit) Regulations (Northern Ireland 2015) in relation to the publication of an Annual Governance Statement.

#### **The Purpose of the Governance Framework**

The governance framework comprises the systems and processes, and culture and values, by which the local government body is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the local government body's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Newry, Mourne and Down District Council for the year ended 31 March 2025 and up to the date of approval of the financial statements.

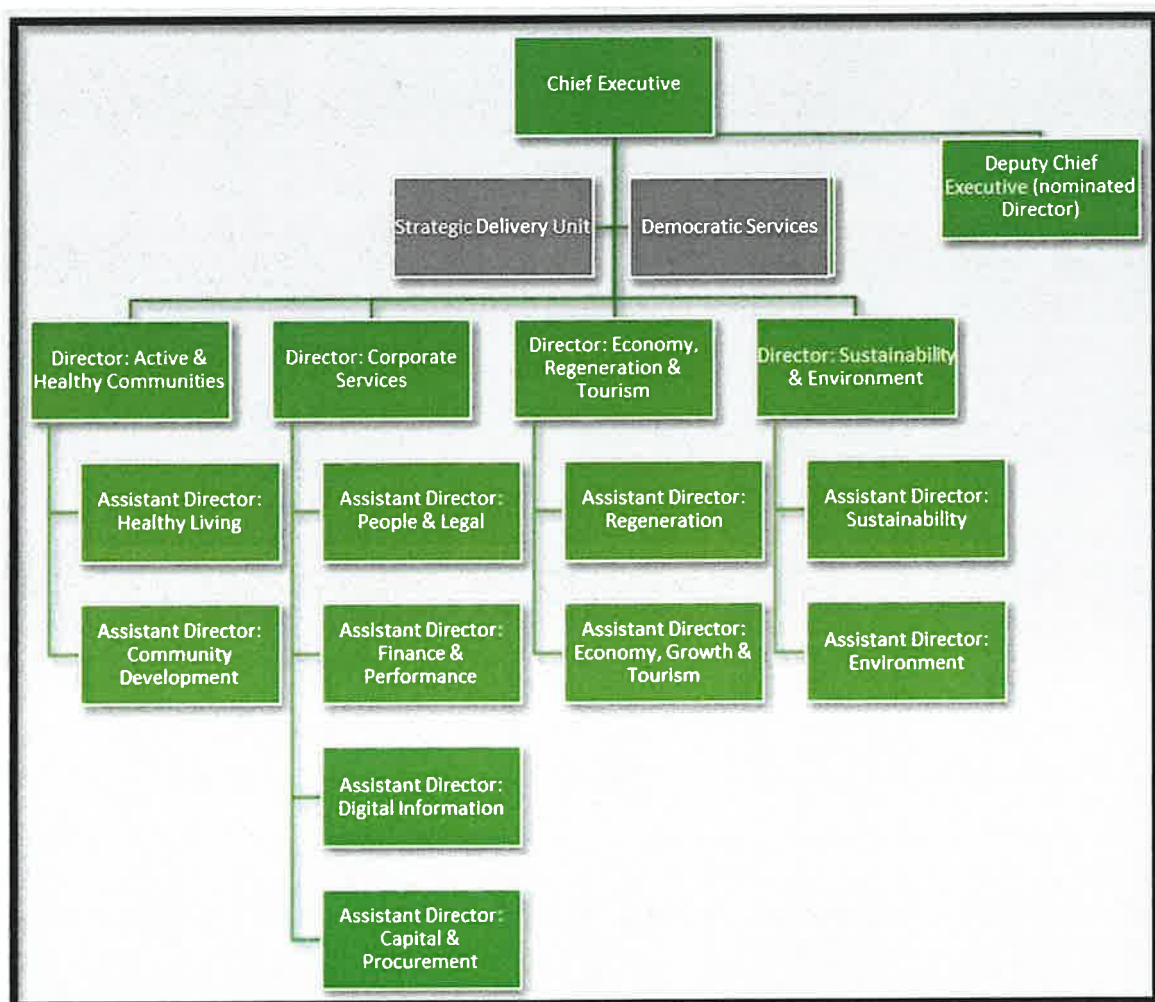
## The governance framework

The Council's 41 Elected Members and its committee and management structure ensures sound governance, ownership and scrutiny in the decision-making process across the entire organisation.

The Coronavirus Act 2020 (Extension of Provisions Relating to Local Authority Meetings) (No. 2) Order (Northern Ireland) 2023 provided councils with the flexibility to hold meetings by remote or hybrid means until 6 March 2024. The Minister for Communities has not extended the legislation beyond the 6 March 2024.

From 6 March 2024 all Statutory meetings i.e. Council, ERT, SPR, AHC, S&E, Audit and Special Council Meetings have been taking place physically in the respective Council Chambers. Non-statutory meetings i.e. working groups, DEA Fora, Party Reps Forum etc. continued to be held remotely or in a hybrid manner. On 24 June 2024, The Local Government (Remote Meetings) Regulations (Northern Ireland) 2024 came into law. The legislation empowers Councils to establish their own rule in relation to how and when meetings can be held remotely or in hybrid version. At the September 2024 SP&R meeting, Council recommended that the statutory meetings, as above, should have physical attendance by Members, except in exceptional circumstances. Non-statutory meetings can continue to be held remotely or in a hybrid manner.

The committee and management structure demonstrate how the decision-making process is implemented in Council as follows:



The Council's governance framework enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The Council operates a Committee System. Meetings of the Council and Committees are open to the public and live audio is open to the public, with the exception of where 'confidential' or 'exempt' matters are being discussed, as defined by the Local Government Act (Northern Ireland) 2014. Council meetings are managed in accordance with the Council's Standing Orders. The [Council's Constitution](#) is available on the Council's website. The Council's Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people.

Within the Constitution, the Scheme of Delegation clearly defines the roles and responsibilities of the Chief Executive, Directors and Assistant Directors. During 2024/25 the Council's Statutory Committees have operated with delegated authority for decision making on specific issues in accordance with their terms of reference. The minutes and associated reports for all Council and Committee Meetings are published on the Council's website apart from confidential minutes and reports.

Through the work of the committees, our Members oversee the work of the Council. All Committee decisions need to be ratified by the full Council except where Committees have been granted delegated authority to make decisions. The full Council is the overarching decision-making body.

The Enterprise, Regeneration and Tourism (ERT) Committee is responsible for the development and implementation of strategies, policies, programmes and projects directed to the regeneration and growth of the district in the context of the outcomes agreed in the community and corporate plans. The ERT committee is also responsible for all matters pertaining to policy and legislation in relation to building control and licencing issues.

The Active and Healthy Communities (AHC) Committee is responsible for the development and implementation of strategies, policies, programmes and projects aimed at improving life at local level in the context of the outcomes agreed in the community and corporate plans.

The Sustainability and Environment (S&E) Committee is responsible for the development and implementation of strategies, policies, programmes and projects aimed at ensuring the waste and maintenance service is delivered across the district in the context of the outcomes agreed in the community and corporate plans.

The Strategic Policy and Resources (SP&R) Committee is responsible for setting the strategic direction of the Council through the development of its corporate plan and other key corporate and cross cutting strategies and policies. It will also ensure effective use of resources and value for money for ratepayers and oversee the Council's relationship with several key agencies and partners.

The Audit Committee provides an independent assurance on the adequacy of the Council's risk management framework and associated control environment. It provides an independent scrutiny of the Council's financial and non-financial performance, which is relied upon by Council, to the extent that it exposes it to risk and weakens the control environment.

The Planning Committee is responsible for all the Council's planning functions, except those matters, which are delegated to Officers or reserved to full Council.

In addition to the committees listed above, there are also 22 Council Project Boards and Forums which have been established to support the work of Committees. In addition, there is a Party Leaders Group meetings.

The Council has an Assurance Framework in place that provides sufficient, continuous and reliable assurance on organisational stewardship and the management of major risk to organisational success and the delivery of improved, cost-effective services. The Assurance Framework is reviewed and approved by the Audit Committee annually. The framework is structured and provides reliable evidence to underpin the assessment of risk and control environment for the Annual Governance Statement.

The Council's Code of Governance is based on the seven core principles set out in the CIPFA/SOLACE Framework (2016 edition). How we meet these seven core principles is reviewed annually at the July Audit Committee meeting. A summary of the key elements of our governance framework are set out in the following table:

#### **A. Behaving with integrity**

- Shared values communicated via community plan, corporate plan and key strategies
- Mandatory Code of Conduct for Councillors
- NI charter for Elected Member Development
- Staff Code of conduct
- Council Constitution including Standing Orders, Financial Regulations and Scheme of Delegation
- Council Anti-Fraud Policies and Fraud Response Plan
- National Fraud Initiative
- Council Raising Concern Policy
- Gifts and Hospitality Policy
- Declarations of interest
- Conflict of Interest Policy

#### **B. Ensuring Openness**

- Council and Committee meetings open to the public
- Council and Committee agendas and minutes displayed on the Council web site
- Consultation and engagement with staff and trade unions
- Annual financial report published on the Council's web site
- Prompt Payment Statistics published on the website quarterly
- Access to Information Policy and Procedure
- Community Plan and Local Development Plan

#### **C. Defining Outcomes**

- Community and Corporate Plans
- Organisational Development
- Tourism Development and Marketing Strategy
- Performance Improvement Plans
- Local Development Plan

#### **D. Optimising the achievement of outcomes**

- Corporate, Directorate & Service plans
- Constitution
- Strategic financial planning
- Risk Management Policy

#### **E. Developing Capacity and Capability**

- Organisational Development
- People, Perform. Grow introduced
- Learning and Development Policy in place
- Harmonisation of policies
- Development of a joint Employee Relations consultation and negotiating policy
- Elected Members Development Charter/ Member Leadership Programme

#### **F. Finance, Performance and Risk Management**

- Financial Regulations
- Risk Management Policy
- Audit Committee
- National Fraud Initiative
- AD of Finance & Performance who liaises fully independent outsourced Internal Audit firm
- Annual Internal Audit Strategy and Plan
- Data Protection policy and procedures
- Director and Assistant Director quarterly assurance reporting
- Independent Audit Committee Chairperson

#### **G. Transparency, Reporting and Effective Accountability**

- NMDDC website - Publication of key reports including Annual Accounts, Annual Governance Statement and Performance Improvement Report
- Committee support framework
- Internal Audit effectiveness annually reviewed against the Public Sector Internal Audit Standards
- Monitoring of all Internal and External Audit recommendations and quarterly updates to the Audit Committee.

The Chief Executive is the Council's designated Chief Financial Officer (CFO) under the Local Government Finance Act (Northern Ireland) 2011, responsible for the proper administration of the Council's financial affairs. Local Regulations in Northern Ireland do not require the Chief Financial Officer to be a professionally qualified accountant nor the role to be separated from that of the Chief Executive as per the CIPFA principles.

The Council is satisfied that the Chief Executive is supported by several fully qualified and experienced staff who are members of various bodies within the Consultative Committee of Accountancy Bodies (CCAB) and as such ensure the decisions made by the CFO are based on sound technical knowledge and understanding.

Having considered all the principles of the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption (2014), the Council has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud. The Council is committed to the highest possible standards of openness, probity and accountability. The Council has a Raising Concerns Policy where concerns can be raised. The policy was updated in September 2024. The Fraud Policy and Fraud Response plan were updated in April 2024. Fraud and Raising Concerns are a standing agenda item at Audit Committee quarterly.

Codes of Conduct are in place for both staff and Elected Members and define the high ethical values and standards of behaviour expected, to make sure that public business is conducted with fairness and integrity. A Conflict of Interest Policy also exists for both staff and Members which follow NIAO Best practice.

Directors, Assistants Directors and Heads of Service are responsible for ensuring compliance with relevant laws, regulations, internal policies and procedures. The Quarterly Assurance Statement Process provided to the Chief Executive provides an opportunity to highlight any concerns. Council has a Head of Legal Services, who is a practicing Solicitor, with an internal legal team and a continuing arrangement with Belfast City Council Legal Services for further support when required.

Council utilises various media streams to deliver internal and external communications, such as the Council website, publications, brochures, leaflets, social media and media advertisements and broadcasts. The Council continues to explore ways to digitise services and use online technology and social media to enhance communication with residents, customers, businesses and potential visitors to the District.

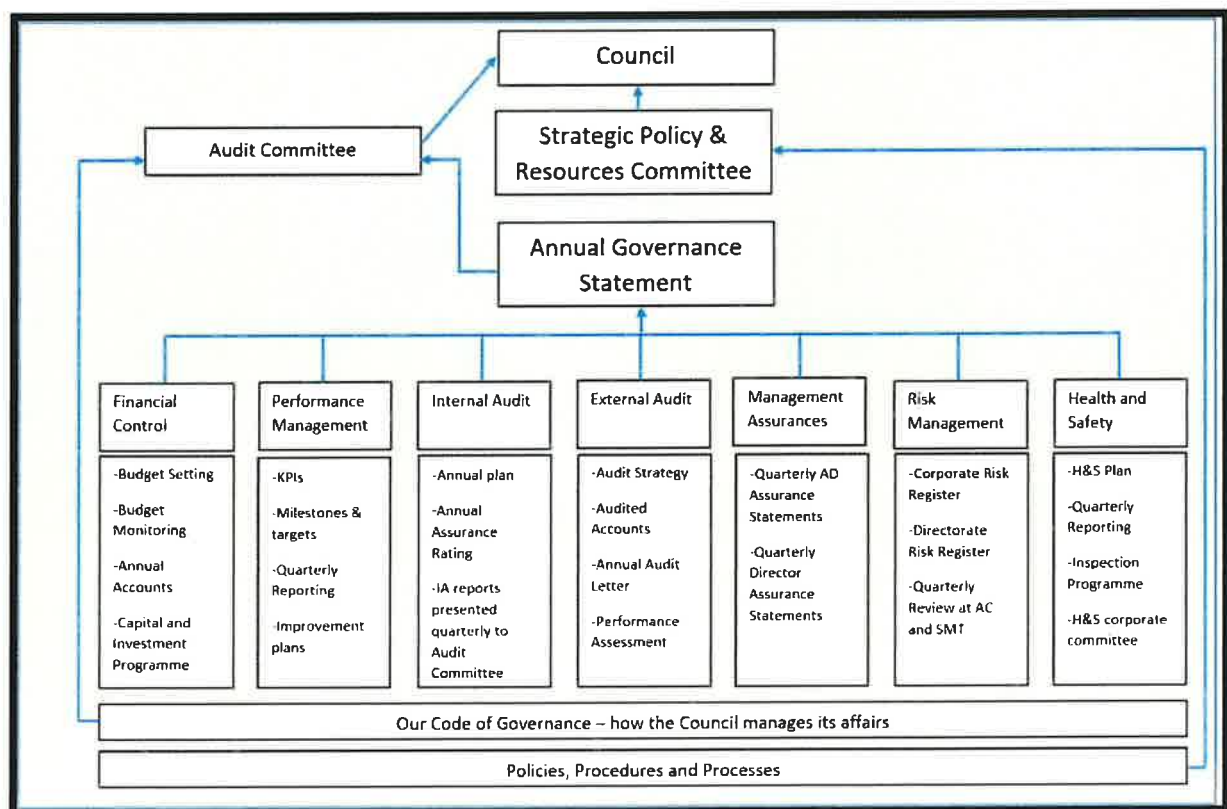
Council Digital Transformation Strategy 2030 responds to the accelerating pace of technological change and the evolving expectations of our customers. It is designed to foster a digital culture, leveraging technology to transform service delivery and enhance the quality of life for our communities.

The Council continuously strives to have the highest standards of governance arrangements in place and endeavours to ensure that its partners also have high standards of governance arrangement in place. Council would control this in numerous ways such as Service Level Agreements, Letters of Offers and signed contracts.

The Council did not report any breaches of personal data to the Information Commissioner's Office (ICO) during 2024/25.

## Review of Effectiveness

The image below illustrates the assurance framework in place within the Council which is approved annually by the Audit Committee. The framework provides information on compliance with various elements of the Council's Governance arrangements.



The Council has responsibility for conducting, at least annually, a review of the effectiveness of its Governance Statement, including the system of internal control. The review of effectiveness is informed by the work of the SMT within Council who have responsibility for the development and maintenance of the governance environment, the Internal Audit's annual report, and by comments made by the External Auditors.

Recommendations arising out of Internal and External reviews are agreed with Management before finalisation to ensure that they will achieve the desired enhancement to the control environment and are practical solutions. Registers are maintained of all outstanding

recommendations and these are circulated at Audit Committee. Assistant Directors must update quarterly progress on implementing recommendations as part of the Assurance Statement process. Follow up reviews are also reported to the Audit Committee.

The Chief Executive has responsibility for preparing this Annual Governance Statement. In preparing this statement, she has considered the governance framework and system of internal controls in place. The Chief Executive leads the Council's SMT to collectively contribute and have oversight of the processes involved in maintaining and reviewing the effectiveness of the governance framework. In producing this statement, full regard has been made to the register of interests for both Members and Officers, reports of the Internal and External Auditor, the Corporate Risk Register and Assurance Statements provided by each Director and Assistant Director for year ended 31 March 2025.

The Council itself maintains overall control of the governance framework. Primary responsibility for overseeing the governance process is the responsibility of the Audit Committee as a standing committee of Council. The role of the Audit Committee extends to receiving reports from the Council's Internal and External Auditors to ensure that any issues raised are subject to due consideration and are addressed by officers on a timely basis. In considering this Annual Governance Statement, the Audit Committee have considered the review of the governance framework and system of internal controls prepared by the Chief Executive.

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

- **the Members:** A committee structure is in place within Council which provides elected Members with a democratic mechanism by which to approve and scrutinise Council Business. Positions of responsibility and Committee Members are appointed as per the Local Government Act (NI) 2014 and are reflective of the broad political makeup of the Council as elected.

The main decision-making body is full Council of Elected Members who are ultimately responsible for ensuring effective governance arrangements are in place for Council to achieve its goals and objectives. Council have statutory meetings monthly. Council has established sub-Committees of Council to consider in further detail its operations in line with specific areas of responsibility, as set out in the Constitution. These Committees of Elected Members are informed by Council Officers.

Council business is governed by Council Standing Orders and Committee Terms of Reference to ensure that the transaction of the business of Council and its Committees is properly regulated and conducted in an efficient, fair and legal manner.

- **the Senior Officers:** The Chief Executive ensures that all Council services and activities are delivered in accordance with the aims of the Council's Corporate Plan. The Chief Executive is supported by a SMT who meet weekly to monitor strategic direction and good governance across the District. CMT meet monthly. SMT and CMT also meet as a group monthly. The Directors meet regularly with senior members of their Directorates to ensure that all staff are aware of Council's priorities and that risks are being appropriately managed.

Quarterly Assurance Statements are completed by Assistant Directors and Directors to provide the Chief Executive assurance over the controls in place. The Assurance Statements also make the Chief Executive aware of any of the risks arising which may have a significant impact on Council.

- **The Audit Committee:** The Audit Committee provides an important source of assurance to those charged with governance about the Council's arrangements for managing

risk, maintaining an effective control environment, and reporting on financial and other performance. The Audit Committee has an Independent Chairperson and met on five occasions during 2024/25. The Audit Committee Terms of Reference were revised in May 2025 and sets out the purpose and the roles and responsibilities of Committee.

The effectiveness of Audit Committee was reviewed at the Committee on 23 May 2025. The Committee was satisfied with its overall performance when compared against the NIAO checklist. The Audit Committee Annual report 2024/25 was presented to the July 2025 Audit Committee to support the completion of the Annual Governance Statement.

- **By Internal Audit:** The Internal Audit function is carried out by an independent body in accordance with Public Sector Internal Audit Standards (PSIAS). It provides assurance and advisory services to assist Council achieve its objectives and improve the effectiveness of internal control, risk management and governance processes. Nine internal audit assignments were carried out in 2024/25 as per the agreed Internal audit plan. Five reviews received a Satisfactory Assurance rating, and four reviews received a Limited Assurance rating which are summarised below. All Recommendations have been accepted by management with action plans in place to strengthen controls by an agreed target date.

As part of the 2024/25 Internal Audit Plan, Internal Audit also undertook a Flood grant verification review. This was an Advisory review and considered the Council's administration of flood grant funding provided by the Department for the Economy. A total of 2 recommendations were made. Internal Audit also undertook a Review of refuse collection services – overtime which was an advisory review and considered the overtime processes operated within the Council's refuse section. A total of 10 recommendations were made.

Internal Audit also carried out a follow up review of the 2023/24 recommendations. The review identified that, out of the 63 accepted recommendations, 24 recommendations were fully implemented, 30 recommendations were partially implemented and 9 recommendations were not implemented. These recommendations will be followed up internally and reported to Audit Committee quarterly until they are fully implemented.

#### Statement from the Head of Internal Audit

*The Public Sector Internal Audit Standards ("PSIAS") 2450 requires that we bring to your attention those significant control issues which may be relevant to the preparation of your Governance Statement for the year ended 31 March 2025. On this basis, we highlight the following matters:*

1. *the limited assurance provided in our review of Off street car parking. We identified a number of controls absent from the Council's systems in relation to Off street car parking. More significantly, control weaknesses identified a need: to ensure that a signed contract is in place from the commencement of the contract; and for service areas to understand the obligations under the contract arrangement with MHL and improving the performance management of this contract. We note that contract management matters have been repeatedly raised by internal audit across many reviews, and this review highlights how corporate culture adopted by Council impacts on service area performance. We identified other more minor service area recommendations including the need to: document the schedule for cleansing of carparks; and to schedule and document spot checks on car parks;*

2. the limited assurance provided in our review of User Access Management -In particular, we noted a lack of audit trail being maintained across our sample of applications in respect of the user access management lifecycle (Starters, Movers and Leavers), limiting our ability to assess compliance with good practice. We also identified weaknesses within the policy and procedure framework covering user access management at both central Council level and at individual application level. Our sample testing of Office 365 also identified a number of exceptions within the processes for starters, movers and leavers. We also confirmed that documented periodic reviews of user access are not being carried out at the network or application level within the Council;
3. the limited assurance provided in our review of Fuel Management -Specifically, we noted a need: for the new Fleet Fuel Management Policy to be ratified and implemented in Council and other supporting procedures to be updated; for the Jigsaw system to be reviewed to accurately record fob details, driver details, vehicle details and to be used more effectively through training and the use of notifications; a need to review stock counting (accuracy and completion) and stock reporting mechanisms; to review physical and electronic controls at depots; and to review purchase of fuel arrangements when using third parties. We noted that many of the issues raised in that report were repeat findings, suggesting limited improvement in the control environment;
4. the limited assurance provided in our review of Newry BID. Specifically, we identified significant issues regarding the veracity of financial records between Newry BID and the Council, we noted issues with the Council's oversight role of Newry BID as articulated in the Agreement and we noted the need for a review and update of the Agreement to reflect current practices and financial and governance risk to Council;
5. the limited progress in fully implementing internal audit recommendations. We note that 38% of the recommendations issued by us in the prior year were deemed fully implemented. Concerns have also been expressed at Audit Committee regarding the lack of progress in fully implementing legacy internal audit recommendations, which Management are currently reporting to Audit Committee and the repeat nature of some of the recommendations that are coming through current year reports.

In our opinion, and specifically in relation to those significant issues and limited assurance reviews, during the period from 1 April 2024 to 31 March 2025, there was an inadequate or ineffective system of governance, risk management and controls in place which can therefore only provide limited assurance in relation to the effective and efficient achievement of the Council's objectives.

The Assistant Director of Finance and Performance will continue to follow up on the legacy internal audit recommendations which have not yet been implemented. The progress on the implementation on internal audit recommendations will be reported quarterly at the Audit Committee along with an update on outstanding external audit recommendations. A new audit tracking system went live in January 2025. This should further assist Management with the tracking and implementing legacy recommendations.

The PSIAS require an external assessment of all internal audit services, which must be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation.

A review was carried out in December 2023 and found the Internal Audit team that services the Council conforms to the required Code of Ethics and this is embedded in

its audit work. Internal Audit also fully conforms to the PSIAS. The review concluded that on the basis of information reviewed, the Council can be satisfied that its Internal Audit Service provides a high quality and professional service which adds value to the assurance framework.

- **Other explicit review / assurance mechanisms:**

- Health and Safety: Reviews of Health and Safety by professionally qualified officers, the Corporate Health and Safety Committee, and various Health and Safety sub committees.
- Risk Management: Risk Management is embedded across all activities of the Council and a revised Risk Strategy was presented to the February 2025 Audit Committee to ensure Councils Risk Management complied with HM Treasury's best practice. The Corporate Risk Register is presented quarterly to both SMT, CMT and the Audit Committee.
- External Funding: External funding throughout the year is subject to independent audits from the relevant funders i.e. European Court of Auditors, Government Departments, SEUPB.
- Local Government Audit: Work carried out by the Local Government Auditor during the previous financial year is also used by the Council as an additional assurance mechanism. The Council's Performance Improvement Plan has also been externally audited by the NIAO.
- National Fraud Initiative (NFI) – Council is currently participating in the 2024/25 NFI data matching exercise. The result of the matches work will be reported to the Audit Committee.

The Accounting Officer has also been advised on the review of effectiveness of the governance framework by the Audit Committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

### **Update on Significant Governance Issues that were declared in 2023/24**

Seven issues were declared in last year's Governance Statement and all seven remain as significant Governance concerns for 2024/25 as detailed in points 1 to 7 below. The Belfast Region City Deal (BRCD) funding concern which was held within the 'Financial Position of Council' concern, has now highlighted separately – see number 8.

### **Significant Governance Issues in 2024/25**

The significant governance issues for 2024/25 were identified through the review of significant risks within the Corporate Risk Register for the year ending 31 March 2025, consideration of significant events / issues, internal / external audit reports and a review of the Directorate Assurance Statements at year end.

#### **1. Procurement and Contract Management**

Procurement and Contract Management remain a significant risk within the Council's Corporate Risk Register. Corporate Risk 2 details 'Non-compliance with legislative requirements, including the Procurement Act 2023'.

Even though progress has been made, we are still highlighting procurement and contract management as a significant governance concern. Procurement activity across the Council remains largely reactionary i.e. based on operational pressures. Linked to that are the identified deficiencies in contract management practices whereby contracts for ongoing requirements lapse and are not retendered in time or spend under contracts exceeds the approved values.

An Internal Audit completed in April 2024 highlighted several significant concerns and had a limited level of assurance. In response Procurement Action Plans have been developed and are in place for each Directorate. These will provide strategic direction and guide each Directorate's Procurement activity. This will be aided by Management Team driving procurement as a corporate priority and reviewing progress against the Procurement Action Plans .

A new procurement policy to reflect the wide-ranging changes to processes and procedures required to ensure compliance under the Procurement Act 2023 & Procurement Regulations 2024 was approved via the SP&R Committee in March 2025. An action plan has been developed and is being monitored by SMT to address procurement and contract management concerns. It focuses on the following areas:

- **Training for Officers** -Three-day training was organised for the relevant officers in procurement & contract management training during 2024 / 2025. In addition, CIPS have been engaged to provide two-day training sessions on the new Procurement Act 2023 in May & June 2025 for Council staff.
- **Resources** -Resources have been reviewed in the Procurement Team and additional resource from agency and from specialist services are being engaged.
- **Systems** -The Council is reviewing its systems and seeking to move to using eTendersNI. 5. Therefore, this is system used by Government Departments, Arms Length Bodies and the majority of Councils in NI. The current finance systems will begin to utilise a contract management code for new contracts from July 2025 to allow better monitoring of contract spend by officers.
- **Policy & Procedures Review** – The Strategic Investment Board (SIB) have been engaged to review the Policy & Procedures and prepare the Council for the initial over threshold procurements under the new Procurement Act 2023.

## 2. Financial Position of Council

Our financial planning processes take on greater importance given the current economic climate. The financial landscape for the Council is likely to remain challenging for the foreseeable future. It is critical that we have adequate financial resources in place to fund the Council's future requirements, ambitions and priorities regarding waste management, leisure facilities, climate, innovation, and capital investment.

The challenges faced by the Council over the past few years have been unprecedented and are likely to continue given the on-going global unrest and the resultant economic impacts.

Council currently faces several significant financial pressures;

- **Global Economy**  
Danske Bank said it expects the rate of growth to be modest this year, reflecting the lack of momentum in the economy, inflation being likely to run higher than previously expected, the increase in business costs following the UK's autumn Budget and elevated uncertainty stemming from emerging global risks.

CPI rose by 3.5% in the 12 months to April 2025, up from 2.6% in March 2025. Driven by retail energy and water bills, food prices and air fares, the CPI for April jumped beyond expectations. Regulated prices and the timing of Easter were the main drivers. While the above consensus rise, particularly in core and services CPI, is a concern and may reflect firms raising prices to cover higher labour costs or tariffs, there remains little evidence that inflation is being driven by robust domestic demand.

The Bank of England's Monetary Policy Committee on the 7th May 2025 voted to cut the official Bank Rate to 4.25%. This has a direct impact on Council's capital expenditure, especially funded projects, including the Belfast City Region Deal (BRCD). Project budgets already include significant levels of optimum bias and contingency.

However, the level of funding support from BRCD is fixed for each project and no additional government funding is available.

Therefore, as projects progress through the delivery phase, developing more accurate and informed costs, project specific solutions are being identified at key decision points (i.e. at design, procurement, and Full Business Case) including value engineering and commitment of potential additional funding from other sources.

- **Pay Pressures**  
Future pay awards have a significant impact on our Council's budget and District Rate going forward. Payroll costs represent approximately 60% of Councils net spend and therefore substantial national pay awards have a direct impact on rate increases and service provision going forward. The pay award for 2025/26 has yet to be agreed by Joint Trade Unions and we have an estimate included within our budgets.

- **Central Government funding cuts**  
The level of funding available from Central Government has been reduced significantly in the past number of years. RSG is a key area of funding for seven District Councils. RSG was devised to assist the least wealthy and most deprived and rural Councils to provide equality of service provision equal to the wealthier Councils. The RSG is statutory but is a discretionary quantum which is not ring-fenced within the Department for Communities budget.

The first year post local Government Reform, the total RSG pot was £15.6m. This has been reducing year on year. In 2024/25 the regional pot was only £3.1 (£1.8m reduction on previous year).

- **Animal Welfare funding**  
Northern Ireland councils are continuing with a judicial review into a Stormont decision to withdraw funding for animal welfare, despite an offer of a one-off payment from the Environment Minister. The Judicial Review is being led by Fermanagh and Omagh District Council. In August 2023, DAERA confirmed it had axed all animal welfare funding to local authorities, while warning the councils they were still legally obliged to deliver the service. The total funding for all eleven Councils amounted to £1.25m in 2023/24. No funding was provided in 2024/25.

- **Volatility of our rates base**  
A significant uncertainty for Council is the number of non-Domestic Revaluation Challenges outstanding. If a significant proportion of these challenges to LPSNI are successful, this will have a negative impact on our estimated and actual penny product which would devalue our ratebase.

In November 2023 our Council Area was subject to unprecedented flooding and our two major urban centres (Newry and Downpatrick) were most impacted, with many properties severely damaged. The impacts are still ongoing while major repair works are ongoing. The risk is that some of these businesses may not find it viable to trade going forward. The impact would be two-fold, our rates bases would inevitably fall if there were an increase in vacant non-domestic properties. Council may also struggle to attract business investment into these areas if these premises are unable to secure flood insurance going forward.

- **Brexit Implementation Programme for Port Health**

Throughout 2024/25 Council has continued to work with partners and stakeholders to ensure the Council meets its current statutory duties, while also taking steps to prepare

for the phased implementation of Windsor Framework statutory requirements. The programme of work has focused on securing temporary funding for 2024/25 (currently allocated on an annual basis) and preparing for future review of staffing and operations once a longer term funding model is identified by Government.

The Council has also worked with Department for Environment, Food and Rural Affairs (DEFRA) to ensure Council requirements are taken into account for the construction of a new permanent and purpose built product inspection facility at Warrenpoint Port with a targeted completion date of July 2025. Further work being taken forward under the programme includes further development of IT systems to streamline processes and joint working. Details of the phasing implementation of some aspects of the Windsor Framework is yet to be confirmed including arrangements for fees and charges.

Some uncertainty remains regarding volumes of checks required and the extent to which businesses may eventually realign trading routes, as this is dependent on the final Windsor Framework arrangements and also the potential impacts of new controls at GB ports under the UK's Border Target operating model for EU goods being imported to GB. The Council are liaising closely with Department of Agriculture, Environment and Rural Affairs, DEFRA and Food Standards Authority to ensure operational readiness.

Further work will be required in 2025/26 and beyond to develop a longer term staffing model, and to secure a sustainable funding arrangement to support the service going forward and IT development for the new facility

Work is now underway for Reserves Policy to be developed and implemented by September 2025. The purpose of the Reserves Strategy will be to manage the financial pressures Council face going forward.

### 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 2024-25 and has been carried forward to 2025-26.

In 2024-25 (up to December 2024), Council received 878 planning applications, which is the third highest across Northern Ireland, behind Belfast City Council and Mid Ulster. This represents a decrease of 9.7% when compared to the number of applications received during the same period last year. Council opened 200 enforcement cases up to December 2024-25 which is an increase of 8.7% when compared to the number opened, up to December 2023.

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.

The Council has not yet achieved the statutory standards, and the time taken to process local planning applications has increased between December 2023-24 and December 2024-25. The time taken to process major planning applications has decreased however during the same period. Council did not achieve the statutory standard of 70.0% for enforcement cases processed within 39 weeks and the percentage processed during this period decreased.

Staff retention and recruitment still remains the main challenge with high turnover of staff at all levels, despite 33 recruitment requisitions being approved since January 2024, Council still haven't achieved a full complement due to staff moving outside of the department to other

Councils or other Departments. However, Council have a number of performance improvement actions to try and improve processing times going forward;

- Majors and Legacy applications are being reviewed monthly with an agreed action plan to determine / close applications that have been in the system before 2020;
- Ongoing engagement with statutory consultees around response times;
- Senior Planners agreeing a workplan with all team members to be reviewed weekly/fortnightly to plan for weekly determination figure;
- Dedicated training/mentoring programme to build capacity of new Planning Assistants, led and delivered by Principal Planning Officer;
- Ongoing review of applications district wide. Allocation of caseloads on the basis of application complexity to ensure caseloads are reflective of experience of each individual;
- Stringent application of how many times applicants are given opportunities to resubmit information to address application shortcomings;
- Introduction of individual team performance management with individual performance targets to ensure output is managed at an individual level as well at a Department level;
- Reviewing consultations to ensure we only consult with statutory partners where necessary; and
- Validation checklists have been developed and approved at planning committee, these are still subject to public consultation.

Council has received the Northern Ireland Audit Office (NIAO) report into 'Public Bodies' response to misrepresented soil sample analysis'. This report is relevant to only a limited number of Planning applications within this Council area. The findings and recommendations within the report are being carefully considered and appropriate actions will be developed and implemented during the forthcoming year, that will strengthen the control environment when dealing with the alleged misrepresentation of information in planning applications.

#### 4. Absenteeism

The 'failure to manage sickness absence resulting in delays and an inability to deliver Council services' is included as a risk in the Corporate Risk Register. Sickness absence has decreased in 2024-25, with figures revealing that between April 2024 and March 2025 the number of days lost due to sickness absence decreased 2,222, from 19,096 to 16,875, representing an overall decrease of 11.6%.

However, for the twelve months to the end of March 2025, the average number of day's sick absence in the Council was 21.25 days as compared to 23.86 days in 2023-24, based on full time equivalents. Senior management continues to put in place arrangements to monitor and reduce the number of days lost per employee:

- The Managing Attendance Policy and Procedure has been in place from April 2020 and the 2024 audit confirmed satisfactory assurance.
- Ongoing provision of support and guidance to line managers, reminding them of their responsibilities in relation to absence management.
- Quarterly reporting of absence management figures to the SMT and monthly reporting of outstanding return to work meetings to SMT and CMT. SP&R also briefed on absence figures.
- The Corporate Performance Dashboard 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.
- The employee led Health & Wellbeing Forum continue to support and promote health and wellbeing initiatives. Employee health and wellbeing is a fundamental element of

People Perform Grow which provides an opportunity for employees to discuss any health and wellbeing matters with their line manager.

- Council also continues to invest in employee wellbeing through the provision of a funded Health Cash Plan for Employees.

However, senior management recognise that further improvements are required to address the number of days lost due to sickness absence. Audit recommendations will be taken forward during 2025-26, particularly in relation to mandatory training. 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, similar to many other organisations. Cyber security is overseen through the Councils Risk Management Processes. It remains as one of our red risks on Councils Corporate Risk register. Threat activity is continuing to increase on an ever-steepening trajectory.

Cyber Security is a key consideration and robust measures, which are kept under regular review, are in place to minimise the risk posed to Council. Council is progressing several actions to mitigate the Digital information/Cyber risk;

- Continual refinement of Service Area Business Continuity Scenario Plans with a focus on cyber security/disaster recovery and ensuring critical functions can remain operational in the event of a partial/total loss of IT services;
- Implementation of additional security measures including, where supported and appropriate; multifactor authentication, conditional access and modern authentication;
- Increasing User resilience through continual training on a range of cyber security topics, unannounced testing and interactive learning experiences, remediation and management alerting of non-compliance;
- Continuing to engage with and follow guidance from the National Cyber Security Centre (NCSC);
- Implementation of a Managed extended Detection and Response (MXDR) SaaS, Cloud, and Infrastructure Service to enable continuous monitoring, detection, and response to potential threats, ensuring the protection of critical assets and supporting overall cybersecurity resilience.
- Use of NCSC Cyber Defence tools including; Mail Check, Web Check, Early Warning, Protective DNS;
- Penetration testing, actioning recommendations resulting therefrom where possible and appropriate;
- Vulnerability scanning, actioning recommendations resulting therefrom where possible and appropriate;
- Implementation of Privileged Access Management and identity security;
- Implementation of Zero Trust security model;
- Use of always-on Virtual Private Network to ensure all remote access is managed through our security infrastructure and Regular patching;
- Use of Mobile Device Management tools to protect and manage endpoints;
- Incorporation of business continuity and cyber security clauses into contracts;
- Completing a maturity assessment based on National Cyber Security Centre Cyber Assessment Framework (CAF) and striving towards alignment and accreditation;
- Participating in threat intelligence network to continually improve detection, warning and response;
- Maintaining robust change management controls.

#### 6. Succession Planning and Talent Recruitment

Insufficient staff resources to deliver Council services in an effective and efficient manner is included as a risk in the Corporate Risk Register. Council continues to face challenges in recruitment at all levels with the organisation for certain posts. Progress has been made in concluding the Planning for the Future processes, with only one Assistant Director position now remaining and this is currently filled on a temporary basis.

Alternative recruitment methods are being employed to ensure these key posts are filled and review of selection processes. Council will continue to recruit posts, including hard to fill posts in 2025/26, particularly in leisure and planning services.

#### 7. Industrial Relations

Management and the recognised Trade Unions within Council reached agreement and industrial action ended on 28 February 2024. Progress has been made in relation to a number of agreed actions. An independent facilitator is supporting Management and Joint Trade Union side in the development of an Industrial Relations Framework and a workplan will be agreed in due course.

#### 8. Belfast Region City Deal funding going forward

On the 1 May 2025, the National Trust advised Council that they will not be considering a lease at Thomas's Quarry. The Lease was a critical component in the Mourne Mountain Gate Project progressing. The Council is actively working with all partners to secure the £30million BRCD investment in the Newry, Mourne and Down District area. The BRCD Executive Board have now given NMDDC time to consider and submit an alternative proposal. However, given the time taken to fully develop a project through the business case process it is anticipated that the Council should submit any alternative proposal which aligns to the BRCD objectives to the Executive Board within 6 – 9 months, to gain approval to progress in principle to further develop the project, this is ongoing.

Council received legal documentation on the 19 September 2025 serving formal notice of the intention to apply for a Judicial Review of the Council's decision to grant planning permission for the Newry City Centre Regeneration Project. Council manages all matters relating to judicial reviews through the appropriate legal process.

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** 26 September 2025  
CHAIR



**Signed**

**Date** 26 September 2025  
CHIEF EXECUTIVE

## **NORTHERN IRELAND LOCAL GOVERNMENT BODIES'**

### **REMUNERATION REPORT FOR THE YEAR ENDED 31 March 2025**

#### **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 2024 were issued by the Department for Communities on 09 December 2024 (Circular LG 15/2024). Details of the allowances paid to individual councillors are published on council websites.

Following local elections on 18 May 2023, 462 councillors were elected to the 11 new councils for a four year term. Newry, Mourne and Down District Council had 43 councillors (including 2 leavers) in 2024/25.

##### **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 Commission's 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 was a four year temporary appointment from 15 April 2019 until 31 March 2023. Ms Slevin's appointment has been extended until 31 July 2024. In August 2024, Ms Slevin was appointed for a further four year period to bring her up to 31 March 2028. A payment of £500 is paid per meeting (this includes preparation time of £250 and £250 for the meeting), plus travel and expenses. In 2024/2025 Ms Slevin claimed for 3 meetings and associated preparation time of £1,500, plus £140 for 2 hours training with NILGA, all from 2023/2024. Ms Slevin claimed mileage of £315.90.

## 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                                                       | 2024/25               |                                                  | 2023/24               |                                                     |
|-----------------------------------------------------------------|-----------------------|--------------------------------------------------|-----------------------|-----------------------------------------------------|
|                                                                 | Total Allowances<br>£ | Number of Councillors<br>receiving the Allowance | Total Allowances<br>£ | Number of<br>Councillors receiving<br>the Allowance |
| Basic Allowance                                                 | 712,853               | 43                                               | 696,913               | 52                                                  |
| Special<br>Responsibility<br>Allowance                          | 85,795                | 29                                               | 80,181                | 31                                                  |
| Chairperson/Deputy<br>Mayor Allowance                           | 21,899                | 2                                                | 20,165                | 2                                                   |
| Vice Chairperson/<br>Deputy Mayor<br>Allowance                  | 6,834                 | 2                                                | 6,293                 | 2                                                   |
| Mileage Allowance                                               | 34,766                | 31                                               | 24,062                | 29                                                  |
| Public Transport and<br>Other Travel<br>Incidentals             | 794                   | 3                                                | 3,021                 | 4                                                   |
| Subsistence                                                     | 415                   | 4                                                | 2,054                 | 4                                                   |
| Courses/Conferenc<br>es Visits (registration<br>& joining fees) | 5,845                 | 27                                               | 3,235                 | 2                                                   |
| Dependents' Carers<br>Allowance                                 | 169                   | 1                                                | 219                   | 1                                                   |
| <b>TOTAL ALLOWANCES</b>                                         | <b>869,370</b>        | <b>-</b>                                         | <b>836,143</b>        | <b>-</b>                                            |

Details of the allowances paid to individual councillors in 2024/25 are published on the council website at [www.newrymournedown.org/councillors-allowances-and-expenses](http://www.newrymournedown.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                                                                                  | 2024/25                                                          |                      |                                    |             | 2023/24                                                          |                      |                                    |             |
|-------------------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------|------------------------------------|-------------|------------------------------------------------------------------|----------------------|------------------------------------|-------------|
|                                                                                           | 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 |
| <b>Marie Ward</b><br>Clerk & Chief Executive                                              | 135 - 140                                                        | 0                    | 100                                | 135 - 140   | 150 - 155                                                        | -                    | 100                                | 150 - 155   |
| <b>Michael Lipsett</b><br>Director of Active & Healthy Communities (Date Left 14/04/2023) | 0                                                                | 0                    | 0                                  | 0           | 0 - 5<br>(95 - 100 full year equivalent)                         | -                    | 100                                | 0 - 5       |
| <b>Conor Mallon</b><br>Director of Enterprise, Regeneration & Tourism                     | 100 - 105                                                        | 0                    | 100                                | 100 - 105   | 95 - 100                                                         | -                    | 100                                | 95 - 100    |
| <b>Andrew Cassells</b><br>Director of Sustainability & Environment (Date Left 31/03/2024) | 0                                                                | 0                    | 0                                  | 0           | 95 - 100                                                         | -                    | 100                                | 95 - 100    |
| <b>Josephine Kelly</b><br>Director of Corporate Services                                  | 100 - 105                                                        | 0                    | 100                                | 100 - 105   | 95 - 100                                                         | -                    | 100                                | 95 - 100    |
| <b>Andrew Patterson *</b><br>Director of Active & Healthy Communities (From 01/02/2024)   | 95 - 100                                                         | 0                    | 100                                | 100 - 105   | 70 - 75<br>(95 - 100 full year equivalent)                       | -                    | 100                                | 70 - 75     |
| <b>Sinead Murphy **</b><br>Director of Sustainability & Environment (From 01/03/2024)     | 95 - 100                                                         | 0                    | 600                                | 100 - 105   | 70 - 75<br>(95 - 100 full year equivalent)                       | -                    | 100                                | 70 - 75     |

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 Council's workforce.

The banded remuneration of the highest paid member of the Executive Management Team/Senior Management Team in the financial year 2024/25 was £135k - £140k. This was 4.46 times the median remuneration of the workforce, which was £30,749.

**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)**

|                                                                                              | 2024/25       | 2023/24       |
|----------------------------------------------------------------------------------------------|---------------|---------------|
| Salary Band of Highest Paid member of the Executive Management Team / Senior Management Team | £135k - £140k | £150k - £155k |
| Median Total Remuneration                                                                    | £30,749       | £28,586       |
| Ratio                                                                                        | 4.46          | 5.29          |

In 2024/25, 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 2024/25 relate to performance in 2024/25.

#### 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 2024/25 (audited information)**

| Severance Package Cost Band | 2024/25                           |                                   |                                                 |                                                | 2023/24                           |                                   |                                                 |                                                |
|-----------------------------|-----------------------------------|-----------------------------------|-------------------------------------------------|------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------------------------|------------------------------------------------|
|                             | 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                                 | 4                                 | 4                                               | 110                                            |
| £40,001 - £60,000           | 0                                 | 0                                 | 0                                               | 0                                              | 0                                 | 1                                 | 1                                               | 56                                             |
| £60,001 - £80,000           | 0                                 | 0                                 | 0                                               | 0                                              | 0                                 | 0                                 | 0                                               | 0                                              |
| £80,001 - £100,000          | 0                                 | 0                                 | 0                                               | 0                                              | 0                                 | 1                                 | 1                                               | 85                                             |
| £100,001 - £150,000         | 0                                 | 1                                 | 1                                               | 114                                            | 0                                 | 4                                 | 4                                               | 505                                            |
| £150,001 - £200,000         | 0                                 | 0                                 | 0                                               | 0                                              | 0                                 | 2                                 | 2                                               | 387                                            |
| £200,001 - £250,000         | 0                                 | 0                                 | 0                                               | 0                                              | 0                                 | 2                                 | 2                                               | 443                                            |
| £250,001 - £300,000         | 0                                 | 0                                 | 0                                               | 0                                              | 0                                 | 1                                 | 1                                               | 263                                            |
| <b>Total</b>                | <b>0</b>                          | <b>1</b>                          | <b>1</b>                                        | <b>114</b>                                     | <b>0</b>                          | <b>15</b>                         | <b>15</b>                                       | <b>1849</b>                                    |

Where an individual has a non-standard pension arrangement (e.g. accelerated accrual or membership of a Supplementary Scheme), this should be disclosed in the report.

## 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 2024, were as follows:

**Table 5: Employee Contribution Rates**

| Band | Range              | Employee Contribution Rate |
|------|--------------------|----------------------------|
| 1    | £0 - £18,000       | 5.5%                       |
| 2    | £18,001 - £27,700  | 5.8%                       |
| 3    | £27,701 - £46,300  | 6.5%                       |
| 4    | £46,301 - £56,300  | 6.8%                       |
| 5    | £56,301 - £111,700 | 8.5%                       |
| 6    | More than £111,700 | 10.5%                      |

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 2022 was carried out in 2022/23 and set the employer contribution rates for the 3 years commencing 1 April 2023 as follows:

**Table 6: Employer Contribution Rates**

| Year                         | Employer Contribution Rate |
|------------------------------|----------------------------|
| 1 April 2023 - 31 March 2024 | 19.0%                      |
| 1 April 2024 - 31 March 2025 | 19.0%                      |
| 1 April 2025 - 31 March 2026 | 19.0%                      |

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 2024/25 was £157,202.18.

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 2024/25 (audited information)**

| Officers                                                              | Accrued Pension at pension age as at 31/03/2025<br>£'000 | Real increase in pension and related lump sum at pension age<br>£'000 | CETV at 31/03/2025<br>£'000 | CETV at 31/03/2024<br>£'000 | Real increase in CETV<br>£'000 |
|-----------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------|-----------------------------|--------------------------------|
| <b>Marie Ward</b><br>Clerk & Chief Executive                          | 35 - 40<br>no lump sum                                   | 0.0 - 2.5<br>no lump sum                                              | 534                         | 485                         | 34                             |
| <b>Conor Mallon</b><br>Director of Enterprise, Regeneration & Tourism | 15 - 20<br>no lump sum                                   | 2.5 - 5.0<br>no lump sum                                              | 218                         | 174                         | 33                             |
| <b>Josephine Kelly</b><br>Director of Corporate Services              | 5 - 10<br>no lump sum                                    | 0.0 - 2.5<br>no lump sum                                              | 83                          | 46                          | 27                             |
| <b>Andrew Patterson</b><br>Director of Active & Healthy Communities   | 25 - 30<br>no lump sum                                   | 5.0 - 7.5<br>no lump sum                                              | 420                         | 318                         | 89                             |
| <b>Sinead Murphy</b><br>Director of Sustainability & Environment      | 20 - 25<br>no lump sum                                   | 5.0 - 7.5<br>no lump sum                                              | 323                         | 211                         | 101                            |

#### **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 does not include 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. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.



**Chief Executive**  
**26 September 2025**

## **Certificate of the Chief Financial Officer**

I certify that:

- (a) the Statement of Accounts for the year ended 31st March 2025 on pages 50 to 53 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 54 to 74.
- (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 2025.

**Chief Financial Officer**



**Date: 26 September 2025**

## **Council Approval of Statement of Accounts**

These accounts were approved by resolution of the Audit Committee on 25 September 2025.

**Chairman**



**Date: 26 September 2025**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWRY, MOURNE AND DOWN DISTRICT COUNCIL**

### **Opinion on financial statements**

I have audited the financial statements of Newry, Mourne and Down District Council for the year ended 31 March 2025 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement, and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom supported by UK adopted international accounting standards.

I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25, of the financial position of Newry, Mourne and Down District Council as at 31 March 2025 and its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities' directions issued thereunder.

### **Basis for opinion**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of Newry, Mourne and Down District Council in accordance with the ethical requirements of the Financial Reporting Council's Ethical Standard and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that Newry, Mourne and Down District Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Newry, Mourne and Down District Council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for Newry, Mourne and Down District Council is adopted in consideration of the requirements set out in the Code of Practice on Local Authority Accounting, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report.

### **Other Information**

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

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Opinion on other matters**

In my opinion, based on the work undertaken in the course of the audit:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities' directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and
- the information given in the Statement of Accounts for the financial year ended 31 March 2025 is consistent with the financial statements.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Newry, Mourne and Down District Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Statement of Accounts.

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

- in my opinion:
  - the Annual Governance Statement:
    - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25;
    - does not comply with proper practices specified by the Department for Communities;
    - is misleading or inconsistent with other information I am aware of from my audit; or
  - adequate accounting records have not been kept; or
  - the statement of accounts and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or

- I have not received all of the information and explanations I require for my audit, or
- I issue a report in the public interest under Article 9 of the Local Government (Northern Ireland) Order 2005; or
- I designate under Article 12 of the Local Government (Northern Ireland) Order 2005 any recommendation made to the Council; or
- I exercise the other special powers of the auditor under Article 19 to 21 of the Local Government (Northern Ireland) Order 2005.

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

As explained more fully in the Statement of Council's and Chief Financial Officer's Responsibilities, the Chief Financial Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the Newry, Mourne and Down District Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Financial Officer anticipates that the services provided by Newry, Mourne and Down District Council will not continue to be provided in the future.

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Newry, Mourne and Down District Council through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Local Government (Northern Ireland) Order 2005;

- making enquires of management and those charged with governance on Newry, Mourne and Down District Council's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to fraud, their assessment of the risk of material misstatement due to fraud, and their knowledge of actual, suspected and alleged fraud;
- completing risk assessment procedures to assess the susceptibility of Newry, Mourne and Down District Council's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in posting journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

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

## **Certificate**

I certify that I have completed the audit of accounts of Newry, Mourne and Down District Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

A handwritten signature in black ink that reads "Colette Kane". The signature is written in a cursive style with a large initial 'C'.

Colette Kane  
Local Government Auditor  
Northern Ireland Audit Office  
106 University Street  
BELFAST  
BT7 1EU

29<sup>th</sup> September 2025

**Newry, Mourne and Down District Council**
**Comprehensive Income and Expenditure Statement for the year ended 31 March 2025**

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 difference from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

| Service Expenditure                                                                | Notes | 2024/25                |                      |                      | 2023/24                |                     |                      |
|------------------------------------------------------------------------------------|-------|------------------------|----------------------|----------------------|------------------------|---------------------|----------------------|
|                                                                                    |       | Gross Expenditure<br>£ | Gross Income<br>£    | Net Expenditure<br>£ | Gross Expenditure<br>£ | Gross Income<br>£   | Net Expenditure<br>£ |
| Chief Executive                                                                    | 2     | 1,694,611              | (1,882)              | 1,692,729            | 2,568,415              | (16,353)            | 2,552,062            |
| Corporate Services                                                                 | 2     | 8,631,233              | (486,430)            | 8,144,803            | 11,048,029             | (545,332)           | 10,502,697           |
| Economy, Regeneration & Tourism                                                    | 2     | 22,431,362             | (11,131,307)         | 11,300,055           | 16,559,758             | (5,897,459)         | 10,662,299           |
| Sustainability & Environment                                                       | 2     | 46,032,533             | (2,956,470)          | 43,076,063           | 38,068,121             | (1,426,305)         | 36,641,816           |
| Active & Healthy Communities                                                       | 2     | 16,259,845             | (5,294,653)          | 10,965,192           | 20,948,945             | (11,111,520)        | 9,837,425            |
| <b>Cost of Services on Continuing Operations</b>                                   |       | <b>95,049,584</b>      | <b>(19,870,742)</b>  | <b>75,178,842</b>    | <b>89,193,268</b>      | <b>(18,996,969)</b> | <b>70,196,299</b>    |
| Other Operating Expenditure/Income                                                 | 8     | 174,599                | (128,975)            | 45,624               | 140,061                | (197,760)           | (57,699)             |
| Financing and Investment Income and Expenditure                                    | 9     | 2,301,374              | (615,323)            | 1,686,051            | 1,838,832              | (706,008)           | 1,132,824            |
| (Surplus) or Deficit on Discontinued Operations                                    |       | -                      | -                    | -                    | -                      | -                   | -                    |
| Share of Operating Results of associates and joint ventures                        | 30    | -                      | -                    | -                    | -                      | -                   | -                    |
| <b>Net Operating Expenditure</b>                                                   |       | <b>97,525,557</b>      | <b>(20,615,040)</b>  | <b>76,910,517</b>    | <b>91,172,161</b>      | <b>(19,900,737)</b> | <b>71,271,424</b>    |
| Taxation and Non-Specific Grant Income                                             | 10    | -                      | (80,311,932)         | (80,311,932)         | -                      | (70,466,725)        | (70,466,725)         |
| <b>(Surplus)/Deficit on the Provision of Services</b>                              |       | <b>97,525,557</b>      | <b>(100,926,972)</b> | <b>(3,401,415)</b>   | <b>91,172,161</b>      | <b>(90,367,462)</b> | <b>804,699</b>       |
| (Surplus)/Deficit on revaluation of non-current assets                             | 11    |                        |                      | (4,446,196)          |                        |                     | (5,566,908)          |
| Impairment losses on non-current assets charged to the Revaluation Reserve         | 11    |                        |                      | -                    |                        |                     | -                    |
| Surplus/(Deficit) arising on revaluation of available-for-sale financial assets    | 27    |                        |                      | -                    |                        |                     | -                    |
| Remeasurements of the Net Defined Benefit Liability (Asset)                        | 21    |                        |                      | (261,000)            |                        |                     | 4,607,000            |
| Share of Other Comprehensive Expenditure & Income of associates and joint ventures | 30    |                        | -                    | -                    |                        |                     | -                    |
| <b>Other Comprehensive Income and Expenditure</b>                                  |       |                        |                      | <b>(4,707,196)</b>   |                        |                     | <b>(959,908)</b>     |
| <b>Total Comprehensive Income and Expenditure</b>                                  |       |                        |                      | <b>(8,108,611)</b>   |                        |                     | <b>(155,209)</b>     |

**Newry, Mourne and Down District Council**  
**Movement in Reserves Statement for the year ended 31 March 2025**

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' (i.e. 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<br>Summary | Other Fund<br>Balances and<br>Reserves | Capital<br>Receipts<br>Reserve | Total Usable<br>Reserves | Total Unusable<br>Reserves | Total Council<br>Reserves |
|----------------------------------------------------------------------|-------------------------|----------------------------------------|--------------------------------|--------------------------|----------------------------|---------------------------|
|                                                                      | £                       | £                                      | £                              | £                        | £                          | £                         |
| <b>Balance as at 1 April 2023</b>                                    | <b>11,096,172</b>       | <b>24,645,176</b>                      | <b>-</b>                       | <b>35,741,348</b>        | <b>114,403,056</b>         | <b>150,144,404</b>        |
| <b>Movement in reserves during the year</b>                          |                         |                                        |                                |                          |                            |                           |
| Surplus/(Deficit) on the provision of services                       | (804,699)               | -                                      | -                              | (804,699)                | -                          | (804,699)                 |
| Other Comprehensive Income and Expenditure                           | -                       | -                                      | -                              | -                        | 959,908                    | 959,908                   |
| <b>Total Comprehensive Income and Expenditure</b>                    | <b>(804,699)</b>        | <b>-</b>                               | <b>-</b>                       | <b>(804,699)</b>         | <b>959,908</b>             | <b>155,209</b>            |
| Adjustments between accounting basis & funding under regulations     | 5,950,230               | (1,365,807)                            | -                              | 4,584,423                | (4,584,423)                | -                         |
| <b>Net increase before transfers to Statutory and Other Reserves</b> | <b>5,145,531</b>        | <b>(1,365,807)</b>                     | <b>-</b>                       | <b>3,779,724</b>         | <b>(3,624,515)</b>         | <b>155,209</b>            |
| Transfers to/from Statutory and Other Reserves                       | (1,251,106)             | 1,251,106                              | -                              | -                        | -                          | -                         |
| <b>Increase/Decrease in year</b>                                     | <b>3,894,425</b>        | <b>(114,701)</b>                       | <b>-</b>                       | <b>3,779,724</b>         | <b>(3,624,515)</b>         | <b>155,209</b>            |
| <b>Balance as at 31 March 2024</b>                                   | <b>14,990,597</b>       | <b>24,530,475</b>                      | <b>-</b>                       | <b>39,521,072</b>        | <b>110,778,541</b>         | <b>150,299,613</b>        |
| <b>Movement in reserves during the year</b>                          |                         |                                        |                                |                          |                            |                           |
| Surplus/(Deficit) on the provision of services                       | 3,401,415               | -                                      | -                              | 3,401,415                | -                          | 3,401,415                 |
| Other Comprehensive Income and Expenditure                           | -                       | -                                      | -                              | -                        | 4,707,196                  | 4,707,196                 |
| <b>Total Comprehensive Income and Expenditure</b>                    | <b>3,401,415</b>        | <b>-</b>                               | <b>-</b>                       | <b>3,401,415</b>         | <b>4,707,196</b>           | <b>8,108,611</b>          |
| Adjustments between accounting basis & funding under regulations     | (855,533)               | (1,354,467)                            | -                              | (2,210,000)              | 2,210,000                  | -                         |
| <b>Net increase before transfers to Statutory and Other</b>          | <b>2,545,882</b>        | <b>(1,354,467)</b>                     | <b>-</b>                       | <b>1,191,415</b>         | <b>6,917,196</b>           | <b>8,108,611</b>          |
| Transfers to/from Statutory and Other Reserves                       | 368,300                 | (368,300)                              | -                              | -                        | -                          | -                         |
| <b>Increase in year</b>                                              | <b>2,914,182</b>        | <b>(1,722,767)</b>                     | <b>-</b>                       | <b>1,191,415</b>         | <b>6,917,196</b>           | <b>8,108,611</b>          |
| <b>Balance as at 31 March 2025</b>                                   | <b>17,904,779</b>       | <b>22,807,708</b>                      | <b>-</b>                       | <b>40,712,487</b>        | <b>117,695,737</b>         | <b>158,408,224</b>        |

**Newry, Mourne and Down District Council**  
**Balance Sheet as at 31 March 2025**

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, i.e. 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 2025    | Restated<br>31st March 2024 | Restated<br>31st March 2023 |
|---------------------------------------------|------|--------------------|-----------------------------|-----------------------------|
|                                             |      | £                  | £                           | £                           |
| Fixed Assets                                | 11   | 225,082,407        | 213,311,899                 | 205,729,723                 |
| Long Term Investments                       | 16   | -                  | -                           | -                           |
| Investment in Associates and Joint Ventures | 30   | -                  | -                           | -                           |
| Long Term Debtors                           | 15   | 29,141             | 35,587                      | 50,578                      |
| Other Long Term Assets                      |      | -                  | -                           | 4,232,000                   |
| <b>LONG TERM ASSETS</b>                     |      | <b>225,111,548</b> | <b>213,347,486</b>          | <b>210,012,301</b>          |
| Short Term Investments                      | 16   | -                  | -                           | -                           |
| Inventories                                 | 14   | 563,486            | 614,096                     | 620,391                     |
| Short Term Debtors                          | 15   | 11,977,038         | 10,603,800                  | 7,555,063                   |
| Cash and Cash Equivalents                   | 25   | 9,440,596          | 1,629,128                   | 7,800,171                   |
| Assets Held for Sale                        | 11   | 1,010,000          | 133,000                     | -                           |
| <b>CURRENT ASSETS</b>                       |      | <b>22,991,120</b>  | <b>12,980,024</b>           | <b>15,975,625</b>           |
| Short Term Borrowing                        | 17   | 11,304,937         | 8,928,191                   | 4,091,304                   |
| Short Term Creditors                        | 18   | 18,301,420         | 13,445,039                  | 13,283,991                  |
| Provisions                                  | 19   | 66,748             | -                           | 1,416,976                   |
| <b>CURRENT LIABILITIES</b>                  |      | <b>29,673,105</b>  | <b>22,373,230</b>           | <b>18,792,271</b>           |
| Provisions                                  | 19   | 1,349,208          | 1,496,926                   | 1,777,219                   |
| Long Term Borrowing                         | 17   | 57,938,131         | 51,345,741                  | 55,273,932                  |
| Other Long Term Liabilities                 | 21   | 734,000            | 812,000                     | -                           |
| <b>LONG TERM LIABILITIES</b>                |      | <b>60,021,339</b>  | <b>53,654,667</b>           | <b>57,051,151</b>           |
| <b>NET ASSETS</b>                           |      | <b>158,408,224</b> | <b>150,299,613</b>          | <b>150,144,504</b>          |
| <b>USABLE RESERVES</b>                      |      |                    |                             |                             |
| Capital Receipts Reserve                    | 26   | -                  | -                           | -                           |
| Capital Grants Unapplied Account            | 26   | 232,974            | 1,633,556                   | -                           |
| Capital Fund                                | 26   | 15,000,000         | 15,000,000                  | 15,000,000                  |
| Other Balances and Reserves                 | 26   | 7,574,734          | 7,896,919                   | 9,645,176                   |
| General Fund                                | 26   | 17,904,779         | 14,990,597                  | 11,096,172                  |
|                                             |      | <b>40,712,487</b>  | <b>39,521,072</b>           | <b>35,741,348</b>           |
| <b>UNUSABLE RESERVES</b>                    |      |                    |                             |                             |
| Capital Adjustment Account                  | 27   | 50,360,347         | 45,109,578                  | 46,760,322                  |
| Revaluation Reserve                         | 27   | 69,163,526         | 67,511,134                  | 64,559,475                  |
| Pensions Reserve                            | 27   | (734,000)          | (812,000)                   | 4,232,000                   |
| Accumulated Absences Account                | 27   | (766,002)          | (658,977)                   | (654,204)                   |
| Provisions Discount Rate Reserve            | 27   | (328,134)          | (371,194)                   | (494,537)                   |
|                                             |      | <b>117,695,737</b> | <b>110,778,541</b>          | <b>114,403,056</b>          |
| <b>NET WORTH</b>                            |      | <b>158,408,224</b> | <b>150,299,613</b>          | <b>150,144,404</b>          |

**Newry, Mourne and Down District Council**  
**Cash Flow Statement at 31 March 2025**

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 (i.e. borrowing) to the Council.

|                                                                                                                                  | Note      | 2024/25           | 2023/24            |
|----------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------|--------------------|
|                                                                                                                                  |           | £                 | £                  |
| Net Deficit on the provision of services                                                                                         |           | 3,401,415         | (804,699)          |
| Adjustment for non-cash movements                                                                                                | 25        | 15,404,713        | 5,779,364          |
| Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities | 25        | (6,967,076)       | (2,116,436)        |
| <b>Net cash flows from operating activities</b>                                                                                  | <b>25</b> | <b>11,839,052</b> | <b>2,858,229</b>   |
| Cash flows from Investing Activities                                                                                             | 25        | (12,165,055)      | (9,937,968)        |
| Net Cash flows from Financing Activities                                                                                         | 25        | 8,137,471         | 908,696            |
| <b>Net increase or decrease in cash and cash equivalents</b>                                                                     |           | <b>7,811,468</b>  | <b>(6,171,043)</b> |
| Cash and cash equivalents at the beginning of the reporting period                                                               |           | 1,629,128         | 7,800,171          |
| <b>Cash and cash equivalents at the end of the reporting period</b>                                                              |           | <b>9,440,596</b>  | <b>1,629,128</b>   |

**Newry, Mourne and Down District Council**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 March 2025**

**1 Accounting Policies**

**a General Principles**

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. 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 2024/25, 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 2024/25 also requires disclosure in respect of:

**Summary of Material Accounting Policy Information**

**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 combinations of public sector bodies) 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 in [specified period, no more than three months] 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, e.g. 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), – i.e. 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

#### 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.

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

### 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.

**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 (i.e. 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

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).

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

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in 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/weighted average] 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 - lease**

The 2024/25 financial year includes transition to IFRS 16 - Leases within the Code of Practice on Local Authority Accounting (the Code). Under this transition property, plant and equipment held under leases are recognised as right of use assets on the Balance Sheet. The council has availed of provisions in the Code allowing prospective application of the changes in accounting. This means a prior year restatement of the balance sheet is not required. Provisions in the Code also allow for leases not to be recognised if they are short-term leases (less than one year) and where the asset is of low value. 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 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 - 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.

## **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 charged to service segments in accordance with the Council's arrangements for accountability and financial performance.

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 (i.e. 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
- investment assets 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 - not depreciated as it has an infinite useful life
- Buildings - straight-line allocation over the useful life of the property as estimated by the valuer
- Vehicles, Plant, Furniture and Equipment\* - straight-line depreciation over useful life which depends on the type of asset and ranges from 3 to 7 years
- Information Technology - straight-line depreciation over 3 to 10 years
- Intangibles - software licences and systems are depreciated over estimated useful life which is normally 3 to 10 years
- Infrastructure - straight-line depreciation over the remaining life of the asset
- Heritage Assets - these are not normally subject to depreciation and are held at either historic cost or insurance valuation
- Community Assets - no determinable useful life and not depreciated, held at nominal value
- Landfill Sites - end of useful life
- Assets under construction - held at historic cost and not depreciated

*\* Some legacy assets within VPE have longer useful lives*

## **Componentisation**

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

## **Revaluations**

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

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, e.g. 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 His Majesty's Revenue and Customs. VAT receivable is excluded from income.

d **Fair Value Measurement**

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

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

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the 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

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.

For 2024/25, the following accounting standards have been issued but not yet adopted within the Code of Practice on Local Authority Accounting.

It is not anticipated that these accounting changes will impact on the financial statements.

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) issued in January 2020
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022
- Non-Current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022
- International Tax Reform Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023

**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 2025 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.

|                                                              | 2024/25                                             |                    |                                                                                   | 2023/24                                             |                    |                                                                                   |
|--------------------------------------------------------------|-----------------------------------------------------|--------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------|--------------------|-----------------------------------------------------------------------------------|
|                                                              | Net Expenditure<br>Chargable to the<br>General Fund | Adjustments        | Net Expenditure in<br>the Comprehensive<br>Income and<br>Expenditure<br>Statement | Net Expenditure<br>Chargable to the<br>General Fund | Adjustments        | Net Expenditure in<br>the Comprehensive<br>Income and<br>Expenditure<br>Statement |
|                                                              | £                                                   | £                  | £                                                                                 | £                                                   | £                  | £                                                                                 |
| Chief Executive                                              | 1,692,729                                           | -                  | 1,692,729                                                                         | 2,552,062                                           | -                  | 2,552,062                                                                         |
| Corporate Services                                           | 14,122,247                                          | 5,977,444          | 8,144,803                                                                         | 12,882,837                                          | 2,380,140          | 10,502,697                                                                        |
| Economy, Regeneration &<br>Tourism                           | 8,467,101                                           | (2,832,954)        | 11,300,055                                                                        | 7,487,439                                           | (3,174,860)        | 10,662,299                                                                        |
| Sustainability & Environment                                 | 36,799,760                                          | (6,276,303)        | 43,076,063                                                                        | 32,114,322                                          | (4,527,494)        | 36,641,816                                                                        |
| Active & Healthy Communities                                 | 8,062,061                                           | (2,903,131)        | 10,965,192                                                                        | 6,884,033                                           | (2,953,392)        | 9,837,425                                                                         |
| <b>Net Cost of Services</b>                                  | <b>69,143,898</b>                                   | <b>(6,034,944)</b> | <b>75,178,842</b>                                                                 | <b>61,920,693</b>                                   | <b>(8,275,606)</b> | <b>70,196,299</b>                                                                 |
| <b>Other Income and Expenditure</b>                          | <b>(71,689,780)</b>                                 | <b>6,890,477</b>   | <b>(78,580,257)</b>                                                               | <b>(67,066,224)</b>                                 | <b>2,325,376</b>   | <b>(69,391,600)</b>                                                               |
| <b>Surplus or Deficit</b>                                    | <b>(2,545,882)</b>                                  | <b>855,533</b>     | <b>(3,401,415)</b>                                                                | <b>(5,145,531)</b>                                  | <b>(5,950,230)</b> | <b>804,699</b>                                                                    |
| <b>Opening General Fund</b>                                  |                                                     |                    | <b>14,990,597</b>                                                                 |                                                     |                    | <b>11,096,172</b>                                                                 |
| <b>Surplus/(Deficit) on General<br/>Fund Balance in Year</b> |                                                     |                    | <b>2,914,182</b>                                                                  |                                                     |                    | <b>3,894,425</b>                                                                  |
| <b>Closing General Fund</b>                                  |                                                     |                    | <b>17,904,779</b>                                                                 |                                                     |                    | <b>14,990,597</b>                                                                 |

2

**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  
2024/25**

| 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                                                                                                                                       | -                                | -                                      | -                           | -                               | -                 |
| Corporate Services                                                                                                                                    | 6,270,144                        | (281,000)                              | (11,700)                    | -                               | 5,977,444         |
| Economy, Regeneration & Tourism                                                                                                                       | (2,821,929)                      | -                                      | (11,025)                    | -                               | (2,832,954)       |
| Sustainability & Environment                                                                                                                          | (6,274,983)                      | -                                      | (1,320)                     | -                               | (6,276,303)       |
| Active & Healthy Communities                                                                                                                          | (2,863,211)                      | -                                      | (39,920)                    | -                               | (2,903,131)       |
| Net Cost of Services                                                                                                                                  | (5,689,979)                      | (281,000)                              | (63,965)                    | -                               | (6,034,944)       |
| Other Income and Expenditure from the Expenditure and Funding Analysis                                                                                | 6,641,477                        | 98,000                                 | 151,000                     | -                               | 6,890,477         |
| Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services | 951,498                          | (183,000)                              | 87,035                      | -                               | 855,533           |

**Adjustments between Funding and Accounting Basis  
2023/24**

| 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                                                                                                                                       | -                                | -                                      | -                           | -                               | -                 |
| Corporate Services                                                                                                                                    | 3,176,838                        | (786,000)                              | (10,698)                    | -                               | 2,380,140         |
| Economy, Regeneration & Tourism                                                                                                                       | (3,184,030)                      | -                                      | 9,170                       | -                               | (3,174,860)       |
| Sustainability & Environment                                                                                                                          | (4,655,493)                      | -                                      | 127,999                     | -                               | (4,527,494)       |
| Active & Healthy Communities                                                                                                                          | (2,945,491)                      | -                                      | (7,901)                     | -                               | (2,953,392)       |
| Net Cost of Services                                                                                                                                  | (7,608,176)                      | (786,000)                              | 118,570                     | -                               | (8,275,606)       |
| Other Income and Expenditure from the Expenditure and Funding Analysis                                                                                | 1,976,376                        | 349,000                                | -                           | -                               | 2,325,376         |
| Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services | (5,631,800)                      | (437,000)                              | 118,570                     | -                               | (5,950,230)       |

### **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
- ii) Financing and investment income and expenditure - the statutory charges for capital financing, i.e. Minimum Revenue Provision and other revenue contributions are deducted from financing and investment income and expenditure as these are not chargeable under
- 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

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 regulations for 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.

2

**c Segmental Income and Expenditure**

Income and expenditure on a segmental basis are analysed below:

|                                            | 2024/25                         |                                                                           |                  |                  |                               |                                      |                              |                                                                  |
|--------------------------------------------|---------------------------------|---------------------------------------------------------------------------|------------------|------------------|-------------------------------|--------------------------------------|------------------------------|------------------------------------------------------------------|
|                                            | 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 | Income Tax Expense or Income | Material Non cash items other than Depreciation and Amortisation |
|                                            | £                               | £                                                                         | £                | £                | £                             | £                                    | £                            | £                                                                |
| Chief Executive                            | (1,882)                         | -                                                                         | -                | -                | -                             | 459,750                              | -                            | -                                                                |
| Corporate Services                         | (389,670)                       | -                                                                         | (437,296)        | 2,227,055        | 404,821                       | 5,357,984                            | -                            | 7,080,553                                                        |
| Economy, Regeneration & Tourism            | (3,747,387)                     | -                                                                         | -                | -                | 1,928,274                     | 1,309,677                            | -                            | 893,656                                                          |
| Sustainability & Environment               | (2,153,105)                     | -                                                                         | -                | -                | 4,608,475                     | 23,809,245                           | -                            | 1,666,508                                                        |
| Active & Healthy Communities               | (2,753,769)                     | -                                                                         | -                | -                | 2,640,991                     | 6,372,159                            | -                            | 222,220                                                          |
| Total Income Analysed on a segmental basis | (9,045,813)                     | -                                                                         | (437,296)        | 2,227,055        | 9,582,561                     | 37,308,815                           | -                            | 9,862,937                                                        |

|                                            | 2023/24                         |                                                                           |                  |                  |                               |                                      |                              |                                                                  |
|--------------------------------------------|---------------------------------|---------------------------------------------------------------------------|------------------|------------------|-------------------------------|--------------------------------------|------------------------------|------------------------------------------------------------------|
|                                            | 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 | Income Tax Expense or Income | Material Non cash items other than Depreciation and Amortisation |
|                                            | £                               | £                                                                         | £                | £                | £                             | £                                    | £                            | £                                                                |
| Chief Executive                            | (16,252)                        | -                                                                         | -                | -                | -                             | 660,881                              | -                            | -                                                                |
| Corporate Services                         | (442,809)                       | -                                                                         | (287,262)        | 1,814,085        | 376,066                       | 5,349,044                            | -                            | 7,065,096                                                        |
| Economy, Regeneration & Tourism            | (4,366,237)                     | -                                                                         | -                | -                | 2,286,536                     | 6,003,956                            | -                            | 897,493                                                          |
| Sustainability & Environment               | (1,316,322)                     | -                                                                         | -                | -                | 3,905,925                     | 22,000,166                           | -                            | 749,569                                                          |
| Active & Healthy Communities               | (3,044,907)                     | -                                                                         | -                | -                | 2,551,999                     | 3,101,862                            | -                            | 393,491                                                          |
| Total Income Analysed on a segmental basis | (9,186,527)                     | -                                                                         | (287,262)        | 1,814,085        | 9,120,526                     | 37,115,909                           | -                            | 9,105,649                                                        |

**3 a Expenditure and Income Analysed by Nature**

| Expenditure                            |       | 2024/25             | 2023/24             |
|----------------------------------------|-------|---------------------|---------------------|
|                                        | Notes | £                   | £                   |
| Employee Benefits Expenses             | 7     | (43,261,415)        | (41,502,322)        |
| Other Services Expenditure             |       | (41,015,038)        | (38,153,923)        |
| Depreciation, Amortisation, Impairment | 11    | (10,912,106)        | (9,677,084)         |
| Interest Payments                      | 9     | (2,279,142)         | (1,814,085)         |
| Loss on the Disposal of Assets         | 8     | (45,624)            | -                   |
| Other Expenditure                      | 9     | (12,232)            | (24,747)            |
| <b>Total Expenditure</b>               |       | <b>(97,525,557)</b> | <b>(91,172,161)</b> |

| Income                                                   |       | 2024/25            | 2023/24           |
|----------------------------------------------------------|-------|--------------------|-------------------|
|                                                          | Notes | £                  | £                 |
| Fees, Charges and Other Service Income                   |       | 20,142,298         | 19,137,030        |
| Interest and Investment Income                           | 9     | 535,417            | 636,613           |
| District Rate Income                                     | 10    | 69,059,380         | 64,132,152        |
| Government Grants and Contributions                      | 10    | 11,119,971         | 6,334,573         |
| Gain on the Disposal of Assets                           | 8     | -                  | 57,699            |
| Other Income                                             | 9     | 69,906             | 69,395            |
| <b>Total Income</b>                                      |       | <b>100,926,972</b> | <b>90,367,462</b> |
| <b>Surplus or (Deficit) on the Provision of Services</b> |       | <b>3,401,415</b>   | <b>(804,699)</b>  |

**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  
 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                                                                                                                                                                                           | 2024/25 |             | 2023/24    |             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------|------------|-------------|
|                                                                                                                                                                                                 | £       | £           | £          | £           |
| <b>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:</b>    |         |             |            |             |
| 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      | 1,329,545   | 556,558    |             |
| Depreciation charged in the year on non-current assets                                                                                                                                          | 11      | 9,582,561   | 10,912,106 | 9,677,084   |
| Net Revenue expenditure funded from capital under statute                                                                                                                                       | 12      |             | 1,655,632  | 3,240,091   |
| Carrying amount of non current assets sold                                                                                                                                                      | 8       | 174,599     | 140,061    |             |
| Proceeds from the sale of PP&E, investment property and intangible assets                                                                                                                       | 8, 12   | (128,975)   | 45,624     | (57,699)    |
| Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements                                                       | 23      | -           | -          | -           |
| Net charges made for retirement benefits in accordance with IAS 19                                                                                                                              | 21      | 5,998,000   |            | 6,881,000   |
| Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners                                                                                             | 21      | (5,815,000) |            | (6,444,000) |
| Capital Grants and Donated Assets Receivable and Applied in year                                                                                                                                | 10      | (6,705,520) |            | (1,918,676) |
| Capital Grants Receivable and Unapplied in year                                                                                                                                                 | 10d     | (132,581)   |            | -           |
| Rates Claw-Back Reserve                                                                                                                                                                         | 23      | -           |            | -           |
| Adjustments in relation to short-term compensated absences                                                                                                                                      | 27d     | 107,025     |            | 4,773       |
| Adjustments in relation to Lessor Arrangements                                                                                                                                                  |         | -           |            | -           |
| Landfill Regulations Reserve Adjustment                                                                                                                                                         | 23      | -           |            | -           |
| Provisions Discount Rate Reserve Adjustment                                                                                                                                                     | 27e     | (43,060)    |            | (123,343)   |
| <b>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</b> |         |             |            |             |
| Statutory Provision for the financing of Capital Investment                                                                                                                                     | 12, 26e | (6,877,759) |            | (5,309,000) |
| Direct revenue financing of Capital Expenditure                                                                                                                                                 | 12, 23  | -           |            | -           |
|                                                                                                                                                                                                 |         | (855,533)   |            | 5,950,230   |

| b Net transfers (to)/from statutory and other earmarked reserves: |       |              |              |              |              |
|-------------------------------------------------------------------|-------|--------------|--------------|--------------|--------------|
|                                                                   | Notes | 2024/25<br>£ | 2024/25<br>£ | 2023/24<br>£ | 2023/24<br>£ |
| <b>Capital Fund</b>                                               |       |              |              |              |              |
| Interest                                                          |       | -            | -            | -            | -            |
| From Capital                                                      |       | -            | -            | -            | -            |
| Other                                                             | 26c   | -            | -            | -            | -            |
| <b>Renewal and Repairs Fund</b>                                   |       |              |              |              |              |
| Interest                                                          |       | -            | -            | -            | -            |
| Other                                                             | 27    | -            | -            | -            | -            |
| <b>Capital Receipts Reserve</b>                                   |       |              |              |              |              |
| Interest                                                          |       | -            | -            | -            | -            |
| Other                                                             | 26a   | -            | -            | -            | -            |
| <b>Other Funds and earmarked reserves</b>                         |       |              |              |              |              |
| Interest                                                          |       | -            | -            | -            | -            |
| From Other funds                                                  |       | -            | -            | -            | -            |
| Other                                                             | 26e   | 368,300      | 368,300      | (1,251,106)  | (1,251,106)  |
| <b>Unusable reserves</b>                                          |       |              |              |              |              |
| Capital Adjustment Account                                        |       | -            | -            | -            | -            |
|                                                                   |       |              | 368,300      |              | (1,251,106)  |

## 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 benefitting the area or its residents nor is it limited by existing powers.

The actual expenditure under the power of competence amounted to £Nil during 2024/25 (£Nil in 2023/24).

### 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 Councils external auditors.

|                                     | 2024/25 | 2023/24 |
|-------------------------------------|---------|---------|
|                                     | £       | £       |
| External Audit Fees                 | 80,850  | 77,000  |
| Performance Improvement Audit       | 19,000  | 15,000  |
| National Fraud Initiative           | 1,377   | -       |
| (Over)/Under provided previous year | 4,000   | (6,500) |
|                                     | 105,227 | 85,500  |

The amount under provided in the previous year £4,000 (2023/24 -£6,500) relates to Performance Audit Fees.

## 6 Leases (as a Lessor and Lessee)

### Council as Lessor

#### a Finance 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 £392,586 (2023/24 £462,837).

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

|                       | 31st March 2025  | 31st March 2024  |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Not later than 1 year | 460,279          | 401,746          |
| 1 -2 years            | 257,839          | 213,809          |
| 2 -3 years            | 170,214          | 141,694          |
| 3 -4 years            | 156,545          | 95,366           |
| 4 -5 years            | 120,917          | 59,466           |
| Later than 5 years    | 688,087          | 451,970          |
|                       | <b>1,853,881</b> | <b>1,364,051</b> |

### Council as Lessee

#### c Leases - Right of Use Assets - (Council as lessee)

The Council adopted IFRS16 Leases effective 1st April 2024. As a result, no comparative figures are available for 31st March 2024.

The Council has acquired a number of pieces of land and buildings under leases.

The assets acquired under these leases are carried as Right of Use Assets in the Balance Sheet at the following net amounts:

|                                          | 31st March 2025  |
|------------------------------------------|------------------|
|                                          | £                |
| Other Land and Buildings                 | 1,090,728        |
| Vehicles, Plant, Furniture and Equipment | -                |
|                                          | <b>1,090,728</b> |

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 2025  |
|-------------------------------------------------------------------|------------------|
|                                                                   | £                |
| Leases liabilities (net present value of minimum lease payments): |                  |
| Current                                                           | 113,089          |
| Non- Current                                                      | 831,665          |
| Finance costs payable in future years                             | 473,625          |
| <b>Minimum Lease Payments</b>                                     | <b>1,418,379</b> |

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

|                                                   | Minimum Lease Payments |                 | Lease Liabilities |                 |
|---------------------------------------------------|------------------------|-----------------|-------------------|-----------------|
|                                                   | 31st March 2025        | 31st March 2024 | 31st March 2025   | 31st March 2024 |
|                                                   | £                      | £               | £                 | £               |
| Not later than one year                           | 156,646                | -               | 113,089           | -               |
| Later than one year and not later than five years | 384,358                | -               | 237,150           | -               |
| Later than five years                             | 877,375                | -               | 594,515           | -               |
|                                                   | <b>1,418,379</b>       | <b>-</b>        | <b>944,754</b>    | <b>-</b>        |

The authority incurred the following expenses and cash flows in relation to leases:

|                                                          | 31st March 2025 | 31st March 2024 |
|----------------------------------------------------------|-----------------|-----------------|
|                                                          | £               | £               |
| <b>Comprehensive Income and Expenditure Statement</b>    |                 |                 |
| Interest expense on lease liabilities                    | 52,087          | -               |
| <b>Balance Sheet</b>                                     |                 |                 |
| Repayment of Lease Liabilities held on the Balance Sheet | 106,759         | -               |
| <b>Cash flow statement</b>                               |                 |                 |
| Total cash outflow for leases                            | 158,846         | -               |

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

#### d Operating Leases (Council as lessee)

The Council adopted IFRS 16 Leases effective 1st April 2024. As a result, the figures reported as of 31st March 2025 reflect the leases that are exempt under IFRS 16.

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

|                                             | 31st March 2025 | 31st March 2024  |
|---------------------------------------------|-----------------|------------------|
|                                             | £               | £                |
| Not later than 1 year                       | 18,950          | 190,618          |
| Later than 1 year and no later than 5 years | 47,380          | 424,889          |
| Later than 5 years                          | 664,650         | 1,432,595        |
|                                             | <b>730,980</b>  | <b>2,048,102</b> |

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

|                        | 2024/25       | 2023/24        |
|------------------------|---------------|----------------|
|                        | £             | £              |
| Minimum lease payments | 40,498        | 254,780        |
| <b>Total</b>           | <b>40,498</b> | <b>254,780</b> |

#### 7 Employee Costs and Member Allowances

##### a Staff Costs

|                          | 2024/25           | 2023/24           |
|--------------------------|-------------------|-------------------|
|                          | £                 | £                 |
| Salaries and Wages       | 30,526,369        | 29,470,215        |
| Employers NIC            | 3,020,424         | 2,827,246         |
| Employers Superannuation | 6,101,189         | 5,978,041         |
|                          |                   |                   |
| <b>Total staff costs</b> | <b>39,647,982</b> | <b>38,275,502</b> |

In addition, agency costs during the year amounted to £3,613,433 (2023/24 £3,226,820). Short term compensated absences during the year amounted to £107,024 (2023/24 £4,773) included in the table above.

The Council's current contribution rate to NILGOSC scheme is 19%, there was no Deficit Recovery Contribution.

At last actuarial valuation dated 31st March 2022 the funds assets meet 111% of liabilities at that date (2019-112%).

**Average Number of Employees - where FTE represents fulltime equivalent employees**

| <b>b Average Number of Employees</b> | <b>2024/25</b> | <b>2023/24</b> |
|--------------------------------------|----------------|----------------|
|                                      | <b>FTE</b>     | <b>FTE</b>     |
| Chief Executive                      | 14             | 12             |
| Corporate Services                   | 97             | 103            |
| Economy, Regeneration & Tourism      | 150            | 148            |
| Sustainability & Environment         | 330            | 325            |
| Active & Healthy Communities         | 203            | 210            |
| <b>Total Number</b>                  | <b>794</b>     | <b>798</b>     |

|                            | <b>2024/25</b> | <b>2023/24</b> |
|----------------------------|----------------|----------------|
|                            | <b>Actual</b>  | <b>Actual</b>  |
| Full-time numbers employed | 728            | 734            |
| Part-time numbers employed | 138            | 139            |
| <b>Total Number</b>        | <b>866</b>     | <b>873</b>     |

| <b>c Senior Employees' Remuneration</b> | <b>2024/25</b> | <b>2023/24</b> |
|-----------------------------------------|----------------|----------------|
|                                         | <b>£</b>       | <b>£</b>       |
| £50,001 to £60,000                      | 45             | 36             |
| £60,001 to £70,000                      | 13             | 11             |
| £70,001 to £80,000                      | 8              | 6              |
| £80,001 to £90,000                      | 1              | 1              |
| £90,001 to £100,000                     | 2              | 3              |
| £100,001 to £110,000                    | 2              | -              |
| £110,001 to £120,000                    | -              | -              |
| £120,001 to £130,000                    | -              | -              |
| £130,001 to £140,000                    | 1              | -              |
| £140,001 to £150,000                    | -              | 1              |
| <b>Total Number</b>                     | <b>72</b>      | <b>58</b>      |

**d Members' Allowances**

|                                    | <b>2024/25</b>   | <b>2023/24</b>   |
|------------------------------------|------------------|------------------|
|                                    | <b>£</b>         | <b>£</b>         |
| Salaries                           | -                | -                |
| Basic allowance                    | 712,853          | 696,913          |
| Mayor's & Deputy Mayor's Allowance | 28,733           | 26,458           |
| Special Responsibility Allowances  | 85,795           | 80,181           |
| Dependents' carers allowance       | 169              | 219              |
| Employer costs                     | 221,650          | 213,066          |
| Mileage                            | 34,766           | 24,062           |
| Conferences and Courses            | 5,845            | 3,235            |
| Travel & Subsistence Costs         | 1,209            | 5,075            |
| Miscellaneous Costs                | 6,478            | 19,108           |
| Severance Payments                 | -                | -                |
| <b>Total</b>                       | <b>1,097,498</b> | <b>1,068,317</b> |

**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 2020. 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 2025.

For 2024/25, employers' contributions of £331,706 were payable to the NICS pension arrangements at 34.25% of pensionable pay.

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 2020 was completed by the Actuary during 2019-20. 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 2024/25 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 £0.

## 8 Other Operating Income & Expenditure

### a Surplus/Deficit on Non-Current Assets (exc.I.Investment Properties)

|                                                                          | 2024/25   | 2023/24   |
|--------------------------------------------------------------------------|-----------|-----------|
|                                                                          | £         | £         |
| Proceeds from sale                                                       | (128,975) | (197,760) |
| Carrying amount of non-current assets sold (excl. Investment Properties) | 174,599   | 140,061   |
|                                                                          | 45,624    | (57,699)  |

### b Other Operating Income/Expenditure

|             | 2024/25 | 2023/24 |
|-------------|---------|---------|
|             | £       | £       |
| Income      | -       | -       |
| Expenditure | -       | -       |
|             | -       | -       |

| Other Operating Expenditure             | 2024/25 | 2023/24  |
|-----------------------------------------|---------|----------|
|                                         | £       | £        |
| (Surplus)/Deficit on Non Current Assets | 45,624  | (57,699) |
| Other Operating (Income)/Expenditure    | -       | -        |
|                                         | 45,624  | (57,699) |

## 9 Financing and Investment Income and Expenditure

### a Interest Payable and Similar Charges

|                                | 2024/25   | 2023/24   |
|--------------------------------|-----------|-----------|
|                                | £         | £         |
| Lease / hire purchase interest | 52,087    | -         |
| Government Loan Interest       | 2,227,055 | 1,814,085 |
|                                | 2,279,142 | 1,814,085 |

### b Interest and Investment Income

|                            | 2024/25 | 2023/24 |
|----------------------------|---------|---------|
|                            | £       | £       |
| Bank Interest              | 437,296 | 287,262 |
| Employee Car Loan Interest | 121     | 351     |
|                            | 437,417 | 287,613 |

### c Pensions interest costs and expected return on pensions assets

|                                                           | 2024/25  | 2023/24   |
|-----------------------------------------------------------|----------|-----------|
|                                                           | £        | £         |
| Net interest on the net defined benefit liability (asset) | (98,000) | (349,000) |
|                                                           | (98,000) | (349,000) |

### d Surplus/(Deficit) on trading operations

|                     | 2024/25 | 2023/24 |
|---------------------|---------|---------|
|                     | £       | £       |
| Income from trading | -       | -       |
| Expenditure         | -       | -       |

|                                |   |   |
|--------------------------------|---|---|
| (Surplus)/Deficit for the year | - | - |
|--------------------------------|---|---|

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

|                                                  | 2024/25  | 2023/24  |
|--------------------------------------------------|----------|----------|
| Income/Expenditure from Investment Properties:   | £        | £        |
| Income including rental income                   | (69,906) | (69,395) |
| Expenditure                                      | 22,232   | 24,747   |
| Net income from investment properties            | (47,674) | (44,648) |
| Surplus/deficit on sale of Investment Properties |          |          |
| Proceeds from sale                               | -        | -        |
| Carrying amount of investment properties sold    | -        | -        |
| Investment Properties:                           | -        | -        |
| Changes in Fair Value of Investment Properties   | (10,000) | -        |
|                                                  | (57,674) | (44,648) |

| Financing and Investment Income and Expenditure |                   |              |                 |                   |              |                 |
|-------------------------------------------------|-------------------|--------------|-----------------|-------------------|--------------|-----------------|
|                                                 | 2024/25           |              |                 | 2023/24           |              |                 |
|                                                 | Gross Expenditure | Gross Income | Net Expenditure | Gross Expenditure | Gross Income | Net Expenditure |
|                                                 | £                 | £            | £               | £                 | £            | £               |
| Interest Payable and Similar Charges            | 2,279,142         | -            | 2,279,142       | 1,814,085         | -            | 1,814,085       |
| Interest and Investment Income                  | -                 | (437,417)    | (437,417)       | -                 | (287,613)    | (287,613)       |
| Pensions interest cost                          | -                 | (98,000)     | (98,000)        | -                 | (349,000)    | (349,000)       |
| Surplus/(Deficit) on trading operations         | -                 | -            | -               | -                 | -            | -               |
| Other investment income                         | 22,232            | (69,906)     | (47,674)        | 24,747            | (69,395)     | (44,648)        |
| Changes in Fair Value of Investment Properties  | -                 | (10,000)     | (10,000)        | -                 | -            | -               |
|                                                 | 2,301,374         | (615,323)    | 1,686,051       | 1,838,832         | (706,008)    | 1,132,824       |

#### 10 Taxation and Non Specific Grant Income

##### a Revenue Grants

|         | 2024/25     | 2023/24     |
|---------|-------------|-------------|
|         | £           | £           |
| General | (4,414,451) | (4,415,897) |
| Other   | -           | -           |
|         | (4,414,451) | (4,415,897) |

##### b Revenue Grants - Unapplied

The Council has no Revenue Grants Unapplied.

##### c Capital Grants and Donated Assets - Applied

|                                                                | 2024/25     | 2023/24     |
|----------------------------------------------------------------|-------------|-------------|
|                                                                | £           | £           |
| Government & Other Grants - Conditions met and applied in year | (6,554,520) | (1,918,676) |
| Government & Other Grants - Transfer from receipts in advance  | -           | -           |
| Donated Assets (leases)- Conditions met                        | (151,000)   | -           |
| Donated Assets - Transfer from donated assets creditor         | -           | -           |
|                                                                | (6,705,520) | (1,918,676) |

d Capital Grants - Unapplied

|                                                                          | 2024/25   | 2023/24 |
|--------------------------------------------------------------------------|-----------|---------|
|                                                                          | £         | £       |
| Government & Other Grants -<br>Conditions met and not applied in<br>year | (132,581) | -       |
| Other                                                                    | -         | -       |
|                                                                          | (132,581) | -       |

e District Rates

|                             | 2024/25      | 2023/24      |
|-----------------------------|--------------|--------------|
|                             | £            | £            |
| Current year                | (67,929,169) | (63,817,313) |
| Finalisation - current year | (1,130,211)  | (314,839)    |
| Finalisation - other years  | -            | -            |
|                             | (69,059,380) | (64,132,152) |

| Taxation and Non Specific Grant Income | 2024/25      | 2023/24      |
|----------------------------------------|--------------|--------------|
|                                        | £            | £            |
| District Rate Income                   | (69,059,380) | (64,132,152) |
| Revenue Grants                         | (4,414,451)  | (4,415,897)  |
| Capital Grants and Contributions       | (6,838,101)  | (1,918,676)  |
|                                        | (80,311,932) | (70,466,725) |

**Newry, Mourne and Down District Council**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 March 2025**

**Long - Term Assets - Current Year**

| Cost or Valuation                                                        | Land         | Buildings     | Infrastructure Assets | Landfill Sites | Vehicles, Plant & Equipment | Community Assets | P&E Under Construction | Surplus Assets | Total PP&E    | Heritage Assets | Assets Held for Resale | TOTAL         |
|--------------------------------------------------------------------------|--------------|---------------|-----------------------|----------------|-----------------------------|------------------|------------------------|----------------|---------------|-----------------|------------------------|---------------|
| Balance as at 1 April 2024                                               | £ 33,612,763 | £ 152,381,176 | £ 966,639             | £ (371,895)    | £ 19,965,415                | £ 26             | £ 7,785,109            | £ 4,449,201    | £ 218,788,434 | £ 1,584,006     | £ 133,000              | £ 220,505,440 |
| Adjustments between cost/value & depreciation/impairment                 | -            | -             | -                     | -              | -                           | -                | -                      | -              | -             | -               | -                      | -             |
| Balance as at 1 April 2024                                               | 33,612,763   | 152,381,176   | 966,639               | (371,895)      | 19,965,415                  | 26               | 7,785,109              | 4,449,201      | 218,788,434   | 1,584,006       | 133,000                | 220,505,440   |
| Additions                                                                | -            | 3,521,756     | -                     | -              | 3,591,348                   | -                | 10,679,947             | -              | 17,793,051    | -               | -                      | 17,793,051    |
| Donations                                                                | -            | -             | -                     | -              | -                           | -                | -                      | -              | -             | -               | -                      | -             |
| Revaluation                                                              | -            | -             | -                     | -              | -                           | -                | -                      | -              | -             | -               | -                      | -             |
| Increases/(decreases) to Revaluation Reserve                             | (453,825)    | (1,144,066)   | -                     | -              | -                           | -                | -                      | 275,500        | (1,322,391)   | -               | -                      | (1,322,391)   |
| Revaluation                                                              | -            | -             | -                     | -              | -                           | -                | -                      | -              | -             | -               | -                      | -             |
| Increases/(decreases) to Surplus or Deficit on the Provision of Services | (1,861,375)  | (247,704)     | -                     | -              | -                           | -                | -                      | (5,000)        | (2,114,079)   | -               | 14,000                 | (2,100,079)   |
| Impairment to Surplus or Deficit on the Provision of Services            | -            | -             | -                     | -              | -                           | -                | -                      | -              | -             | -               | -                      | -             |
| Derecognition - Disposals                                                | (88,250)     | (49,349)      | -                     | -              | (1,019,393)                 | -                | -                      | -              | (1,156,992)   | -               | (37,000)               | (1,193,992)   |
| Derecognition - Other                                                    | -            | -             | -                     | -              | -                           | -                | -                      | -              | -             | -               | -                      | -             |
| Reclassifications & Transfers                                            | 2,693,200    | 1,627,252     | -                     | (145,000)      | (33,782)                    | -                | (1,859,876)            | (1,948,200)    | 333,594       | -               | 900,000                | 1,233,594     |
| Reclassified to(-)/from(+) Held for Sale                                 | -            | -             | -                     | -              | -                           | -                | -                      | -              | -             | -               | -                      | -             |
| Balance as at 31 March 2025                                              | 33,902,513   | 156,089,065   | 966,639               | (516,895)      | 22,503,588                  | 26               | 16,605,180             | 2,771,501      | 232,321,617   | 1,584,006       | 1,010,000              | 234,915,623   |

| 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              |
|--------------------------------------------------------------------------------|-------------------|--------------------|-----------------------|----------------|-----------------------------|------------------|-------------------------|------------------|--------------------|------------------|------------------------|--------------------|
|                                                                                |                   |                    |                       |                |                             |                  |                         |                  |                    |                  |                        |                    |
| <b>Balance as at 1 April 2024</b>                                              |                   |                    | <b>4</b>              | <b>775,118</b> | <b>(516,897)</b>            |                  |                         |                  | <b>12,191,722</b>  |                  |                        | <b>12,191,722</b>  |
| Adjustments between cost/value & depreciation/impairment                       |                   |                    |                       |                |                             |                  |                         |                  |                    |                  |                        |                    |
| <b>Balance as at 1 April 2024</b>                                              |                   |                    | <b>4</b>              | <b>775,118</b> | <b>(516,897)</b>            |                  |                         |                  | <b>12,191,722</b>  |                  |                        | <b>12,191,722</b>  |
| Depreciation Charge                                                            |                   |                    |                       |                |                             |                  |                         |                  | <b>8,829,164</b>   |                  |                        | <b>8,829,164</b>   |
| Depreciation written out on Revaluation Reserve                                |                   | 6,529,121          | 18,105                |                | 2,281,938                   |                  |                         |                  |                    |                  |                        |                    |
| Depreciation written out on Revaluation Reserve                                |                   | (5,768,587)        |                       |                |                             |                  |                         |                  | <b>(5,768,587)</b> |                  |                        | <b>(5,768,587)</b> |
| Depreciation taken to Surplus or Deficit on the Provision of Services          |                   |                    |                       |                |                             |                  |                         |                  |                    |                  |                        |                    |
| Impairment losses/reversals to Revaluation Reserve                             |                   | (760,534)          |                       |                |                             |                  |                         |                  | <b>(760,534)</b>   |                  |                        | <b>(760,534)</b>   |
| Impairment losses/reversals to Surplus or Deficit on the Provision of Services |                   |                    |                       |                |                             |                  |                         |                  |                    |                  |                        |                    |
| Derecognition - Disposals                                                      |                   |                    |                       |                |                             |                  |                         |                  |                    |                  |                        |                    |
| Derecognition - Other                                                          |                   |                    |                       |                |                             |                  |                         |                  |                    |                  |                        |                    |
| Reclassifications & Transfers                                                  |                   |                    |                       |                | (1,019,393)                 |                  |                         |                  | <b>(1,019,393)</b> |                  |                        | <b>(1,019,393)</b> |
| Eliminated on reclassification to Held for Sale                                |                   |                    |                       |                | (106)                       |                  |                         |                  | <b>(106)</b>       |                  |                        | <b>(106)</b>       |
| <b>Balance as at 31 March 2025</b>                                             |                   |                    | <b>4</b>              | <b>793,223</b> | <b>(516,897)</b>            |                  |                         |                  | <b>13,472,266</b>  |                  |                        | <b>13,472,266</b>  |
| <b>Balance as at 31 March 2025</b>                                             | <b>33,902,513</b> | <b>156,089,061</b> | <b>173,416</b>        | <b>2</b>       | <b>9,307,653</b>            | <b>25</b>        | <b>16,605,180</b>       | <b>2,771,501</b> | <b>218,849,351</b> | <b>1,584,006</b> | <b>1,010,000</b>       | <b>221,443,357</b> |



| 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       |
|--------------------------------------------------------------------------------------------------|------------|-------------|-----------------------|----------------|-----------------------------|------------------|-------------------------|----------------|-------------|-----------------|------------------------|-------------|
|                                                                                                  |            |             |                       |                |                             |                  |                         |                |             |                 |                        |             |
| <b>Balance as at 1 April 2023</b>                                                                |            |             |                       |                |                             |                  |                         |                |             |                 |                        |             |
| Adjustments between cost/value & depreciation/impairment                                         | -          | 4           | 775,118               | (1)            | 13,156,351                  | 1                | -                       | -              | 13,931,473  | -               | -                      | 13,931,473  |
| <b>Balance as at 1 April 2023</b>                                                                | -          | 4           | 775,118               | (1)            | 13,156,351                  | 1                | -                       | -              | 13,931,473  | -               | -                      | 13,931,473  |
| Depreciation Charge                                                                              | -          | 6,434,064   | 15,003                | -              | 2,211,596                   | -                | -                       | -              | 8,660,663   | -               | -                      | 8,660,663   |
| Depreciation written out on Revaluation Reserve                                                  | -          | (5,575,860) | (13,833)              | (516,896)      | -                           | -                | -                       | -              | (6,106,589) | -               | -                      | (6,106,589) |
| Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services | -          | (858,204)   | (1,170)               | -              | -                           | -                | -                       | -              | (859,374)   | -               | -                      | (859,374)   |
| Impairment losses/reversals to Revaluation Reserve                                               | -          | -           | -                     | -              | -                           | -                | -                       | -              | -           | -               | -                      | -           |
| Impairment losses/reversals to Surplus or Deficit on the Provision of Services                   | -          | -           | -                     | -              | -                           | -                | -                       | -              | -           | -               | -                      | -           |
| Derecognition - Disposals                                                                        | -          | -           | -                     | -              | -                           | -                | -                       | -              | -           | -               | -                      | -           |
| Derecognition - Other                                                                            | -          | -           | -                     | -              | (3,434,451)                 | -                | -                       | -              | (3,434,451) | -               | -                      | (3,434,451) |
| Reclassifications & Transfers                                                                    | -          | -           | -                     | -              | -                           | -                | -                       | -              | -           | -               | -                      | -           |
| Eliminated on reclassification to Held for Sale                                                  | -          | -           | -                     | -              | -                           | -                | -                       | -              | -           | -               | -                      | -           |
| <b>Balance as at 31 March 2024</b>                                                               | -          | 4           | 775,118               | (516,897)      | 11,933,496                  | 1                | -                       | -              | 12,191,722  | -               | -                      | 12,191,722  |
| <b>Net Book Values</b>                                                                           |            |             |                       |                |                             |                  |                         |                |             |                 |                        |             |
| Balance as at 31 March 2024                                                                      | 33,612,763 | 152,381,173 | 191,521               | 145,002        | 8,031,919                   | 25               | 7,785,109               | 4,449,201      | 206,596,713 | 1,584,006       | 133,000                | 208,313,719 |
| Balance as at 31 March 2025                                                                      | 33,902,513 | 156,089,061 | 173,416               | 2              | 9,307,653                   | 25               | 16,605,180              | 2,771,501      | 218,849,351 | 1,584,006       | 1,010,000              | 221,443,357 |

\* The above figures exclude Right of Use Assets held under leases which are disclosed at Note 11h

## 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

\* Some legacy assets within VPE have longer useful lives

### 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 basis 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 £2,771,501 at 31st March 2025.

## 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                                      | 2024/25   | 2023/24   |
|--------------------------------------------------------|-----------|-----------|
|                                                        | £         | £         |
| Balance at start of year:                              |           |           |
| Gross carrying amounts                                 | 5,946,934 | 6,136,459 |
| Accumulated amortisation                               | 3,055,755 | 2,871,506 |
| Net carrying amount at start of year                   | 2,891,179 | 3,264,953 |
| Additions                                              | 260,720   | 43,548    |
| Derecognition - Disposals (Cost)                       | -         | (327,257) |
| Amortisation for the period                            | (609,855) | (459,863) |
| Derecognition - Disposals (Amortisation)               | -         | 327,257   |
| Transfer from Assets Under Construction (See Note 11a) | 266,277   | 42,541    |
| Net carrying amount at end of year                     | 2,808,321 | 2,891,179 |
| Comprising:                                            |           |           |
| Gross carrying amounts                                 | 6,406,475 | 5,946,934 |
| Accumulated amortisation                               | 3,598,154 | 3,055,755 |
| Net carrying amount at end of year                     | 2,808,321 | 2,891,179 |

## 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                                        | 31/03/2025 | 31/03/2024 |
|--------------------------------------------------------------|------------|------------|
|                                                              | £          | £          |
| Rental Income from Investment Activities                     | 69,906     | 69,395     |
| Direct Operating expenses arising from investment properties | (22,232)   | (24,747)   |
| Net gain/(loss)                                              | 47,674     | 44,648     |

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

| Investment Properties                           | 2024/25     | 2023/24   |
|-------------------------------------------------|-------------|-----------|
|                                                 | £           | £         |
| Balance at start of the year                    | 2,240,002   | 2,390,002 |
| Additions                                       | -           | -         |
| Disposals                                       | -           | -         |
| Net gains/losses from fair value adjustments    | 10,000      | -         |
| Transfers to/from property, plant and equipment | (1,500,000) | (150,000) |
| Other changes                                   | -           | -         |
| Balance at end of the year                      | 750,002     | 2,240,002 |

### 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 internally, in accordance with the methodologies and bases for estimate set out in the professional standards of the Royal Institution of Chartered Surveyors.

The Council's valuation experts work closely with finance officers reporting directly to the chief financial officer on a regular basis regarding all valuation matters.

### f 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                   | 31/03/2025       | 31/03/2024       |
|-----------------------------------|------------------|------------------|
|                                   | £                | £                |
| Artefacts                         | 529,452          | 529,452          |
| Historical Furniture              | 79,935           | 79,935           |
| Civic Items                       | 65,600           | 65,600           |
| Ross' Monument                    | 415,911          | 415,911          |
| Paintings and Drawings            | 493,108          | 493,108          |
| <b>Balance at end of the year</b> | <b>1,584,006</b> | <b>1,584,006</b> |

### g Assets Held for Sale

| Assets Held for Sale                                                                 | Current          | Non Current | Total            |
|--------------------------------------------------------------------------------------|------------------|-------------|------------------|
|                                                                                      | £                | £           | £                |
| <b>Cost or Valuation</b>                                                             |                  |             |                  |
| Balance as at 1 April 2024                                                           | 133,000          | -           | 133,000          |
| Adjustments between cost/value & depreciation/impairment                             | -                | -           | -                |
| Transferred from Non-Current Assets during year                                      | -                | -           | -                |
| Assets Held for Sale Donations                                                       | -                | -           | -                |
| Assets Held for Sale Revaluation increases/decreases to Revaluation Reserve          | -                | -           | -                |
| Revaluation increases/decreases taken to Surplus or Deficit on the Provision of      | 14,000           | -           | 14,000           |
| Assets Held for Sale Impairment @ Cost to Provision of Services                      | -                | -           | -                |
| Derecognition - Disposals                                                            | (37,000)         | -           | (37,000)         |
| Derecognition - Other                                                                | -                | -           | -                |
| Reclassified from Current Assets Held for Sale to Non-Current Assets Held for Sale   | 900,000          | -           | 900,000          |
| Transferred to Property, Plant & Equipment during year                               | -                | -           | -                |
| <b>Balance as at 31 March 2025</b>                                                   | <b>1,010,000</b> | <b>-</b>    | <b>1,010,000</b> |
| <b>Impairment</b>                                                                    |                  |             |                  |
| Balance as at 1 April 2024                                                           | -                | -           | -                |
| Adjustments between cost/value & depreciation/impairment                             | -                | -           | -                |
| Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services | -                | -           | -                |
| Derecognition - Disposals                                                            | -                | -           | -                |
| Derecognition - Other                                                                | -                | -           | -                |
| Reclassified from Current Assets Held for Sale to Non-Current Assets Held for Sale   | -                | -           | -                |
| Transferred to Property, Plant & Equipment during year                               | -                | -           | -                |
| <b>Balance as at 31 March 2025</b>                                                   | <b>-</b>         | <b>-</b>    | <b>-</b>         |
| <b>Net Book Value</b>                                                                |                  |             |                  |
| <b>Balance as at 31 March 2025</b>                                                   | <b>1,010,000</b> | <b>-</b>    | <b>1,010,000</b> |
| <b>Balance as at 31 March 2024</b>                                                   | <b>133,000</b>   | <b>-</b>    | <b>133,000</b>   |

| Assets Held for Sale                                                                 | Current        | Non Current | Total          |
|--------------------------------------------------------------------------------------|----------------|-------------|----------------|
|                                                                                      | £              | £           | £              |
| <b>Cost or Valuation</b>                                                             |                |             |                |
| Balance as at 1 April 2023                                                           | -              | -           | -              |
| Adjustments between cost/value & depreciation/impairment                             | -              | -           | -              |
| Transferred from Non-Current Assets during year                                      | -              | -           | -              |
| Assets Held for Sale Donations                                                       | -              | -           | -              |
| Assets Held for Sale Revaluation increases/decreases to Revaluation Reserve          | -              | -           | -              |
| Revaluation increases/decreases taken to Surplus or Deficit on the Provision of      | -              | -           | -              |
| Assets Held for Sale Impairment @ Cost to Provision of Services                      | -              | -           | -              |
| Derecognition - Disposals                                                            | -              | -           | -              |
| Derecognition - Other                                                                | -              | -           | -              |
| Reclassified from Current Assets Held for Sale to Non-Current Assets Held for Sale   | -              | -           | -              |
| Transferred from/(to) Property, Plant & Equipment during year                        | 133,000        | -           | 133,000        |
| <b>Balance as at 31 March 2024</b>                                                   | <b>133,000</b> | <b>-</b>    | <b>133,000</b> |
| <b>Impairment</b>                                                                    |                |             |                |
| Balance as at 1 April 2023                                                           | -              | -           | -              |
| Adjustments between cost/value & depreciation/impairment                             | -              | -           | -              |
| Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services | -              | -           | -              |
| Derecognition - Disposals                                                            | -              | -           | -              |
| Derecognition - Other                                                                | -              | -           | -              |
| Reclassified from Current Assets Held for Sale to Non-Current Assets Held for Sale   | -              | -           | -              |
| Transferred to Property, Plant & Equipment during year                               | -              | -           | -              |
| <b>Balance as at 31 March 2024</b>                                                   | <b>-</b>       | <b>-</b>    | <b>-</b>       |

#### h Right of Use Assets held under leases

The Council adopted IFRS16 Leases effective 1st April 2024, as a result no comparative figures are available for 31st March 2024.

|                                                              | Land and<br>Buildings | Vehicles | Equipment | TOTAL            |
|--------------------------------------------------------------|-----------------------|----------|-----------|------------------|
|                                                              | £                     | £        | £         | £                |
| <b>Cost or Valuation</b>                                     |                       |          |           |                  |
| At 1 April 2024 (Recognition upon implementation of IFRS 16) | 1,234,270             | -        | -         | 1,234,270        |
| Additions                                                    | -                     | -        | -         | -                |
| Revaluations                                                 | -                     | -        | -         | -                |
| Disposals                                                    | -                     | -        | -         | -                |
| <b>At 31 March 2025</b>                                      | <b>1,234,270</b>      | <b>-</b> | <b>-</b>  | <b>1,234,270</b> |
| <b>Depreciation</b>                                          |                       |          |           |                  |
| At 1 April 2024                                              | -                     | -        | -         | -                |
| Disposals                                                    | -                     | -        | -         | -                |
| Provided for year                                            | (143,542)             | -        | -         | (143,542)        |
| <b>At 31 March 2025</b>                                      | <b>(143,542)</b>      | <b>-</b> | <b>-</b>  | <b>(143,542)</b> |
| <b>Net Book Value at 31 March 2025</b>                       | <b>1,090,728</b>      | <b>-</b> | <b>-</b>  | <b>1,090,728</b> |

## I Revaluation

A valuation exercise was carried out by Land and Property Services (LPS) as at 31 March 2025 on the Council's land and buildings. As a result, the value of land and buildings have increased from £193.2 million at 31 March 2024 to £194.7 million at 31 March 2025.

## 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 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                                         |    | 2024/25          | 2023/24          |
|-------------------------------------------------------------|----|------------------|------------------|
|                                                             |    | £                | £                |
| <b>Opening Capital Financing Requirement</b>                |    | 100,824,184      | 94,409,923       |
| <b>Capital Investment</b>                                   |    |                  |                  |
| Property, Plant and Equipment                               | 11 | 19,027,321       | 11,921,865       |
| Investment Properties                                       |    | -                | -                |
| Intangible Assets                                           |    | 260,720          | 43,548           |
| Revenue Expenditure Funded from Capital under Statute       |    | 1,655,632        | 3,240,091        |
| Investments                                                 |    | -                | -                |
| <b>Sources of Finance</b>                                   |    |                  |                  |
| Capital Receipts                                            |    | (128,975)        | (197,760)        |
| Government Grants and Other Contributions                   | 10 | (6,705,520)      | (1,918,676)      |
| Transfers from Earmarked Reserves                           |    | (1,487,048)      | (1,365,807)      |
| <b>Sums set aside from Revenue:</b>                         |    |                  |                  |
| Direct Revenue Contributions                                |    | -                | -                |
| Minimum Revenue Provision                                   |    | (6,877,759)      | (5,309,000)      |
| <b>Closing Capital Financing Requirement</b>                |    | 106,568,555      | 100,824,184      |
| <b>Explanation of Movements in Year</b>                     |    | 2024/25          | 2023/24          |
|                                                             |    | £                | £                |
| Increase in underlying need to borrow                       |    | 4,510,101        | 6,414,261        |
| Assets acquired under leases                                |    | 1,234,270        | -                |
| <b>Increase/(decrease) in Capital Financing Requirement</b> |    | <b>5,744,371</b> | <b>6,414,261</b> |

## 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  | 12,758,653        | (5,844,321)        | 6,914,332         |
| Other Commitments | 12,360,198        | (1,120,678)        | 11,239,520        |
| <b>Total</b>      | <b>25,118,851</b> | <b>(6,964,999)</b> | <b>18,153,852</b> |

| Inventories    |  | 2024/25        | 2023/24        |
|----------------|--|----------------|----------------|
|                |  | £              | £              |
| Central Stores |  | 406,658        | 430,111        |
| Other          |  | 156,828        | 183,985        |
| <b>Total</b>   |  | <b>563,486</b> | <b>614,096</b> |

|           |                                       |                   |                   |
|-----------|---------------------------------------|-------------------|-------------------|
| <b>15</b> | <b>Debtors</b>                        |                   |                   |
| <b>a</b>  | <b>Long Term Debtors</b>              | <b>2024/25</b>    | <b>2023/24</b>    |
|           |                                       | <b>£</b>          | <b>£</b>          |
|           | Government Departments                | -                 | -                 |
|           | Other Councils                        | -                 | -                 |
|           | Public corporations and trading funds | -                 | -                 |
|           | Bodies external to general government | -                 | -                 |
|           | Employee car loans                    | -                 | 146               |
|           | Revenue Grants                        | -                 | -                 |
|           | Capital Grants                        | -                 | -                 |
|           | Interest Receivable                   | -                 | -                 |
|           | Capital Debtors                       | -                 | -                 |
|           | Loans and advances                    | 29,141            | 32,741            |
|           | Lease debtors                         | -                 | -                 |
|           | Trade debtors                         | -                 | -                 |
|           | NIHE Loans                            | -                 | -                 |
|           | Other                                 | -                 | 2,700             |
|           | Impairment of loans and receivables   | -                 | -                 |
|           | Contract Receivables                  | -                 | -                 |
|           | <b>Total Long-Term Debtors</b>        | <b>29,141</b>     | <b>35,587</b>     |
| <b>b</b>  | <b>Short Term Debtors</b>             | <b>2024/25</b>    | <b>2023/24</b>    |
|           |                                       | <b>£</b>          | <b>£</b>          |
|           | Government Departments                | 2,371,782         | 5,095,790         |
|           | Other Councils                        | 113,915           | 90,344            |
|           | Public corporations and trading funds | -                 | -                 |
|           | Bodies external to general government | -                 | -                 |
|           | NIHE loans                            | -                 | -                 |
|           | Employee car loans                    | 146               | 1,934             |
|           | Revenue Grants                        | 2,755,965         | 1,800,368         |
|           | Capital Grants                        | 3,620,010         | 1,479,305         |
|           | Interest Receivable                   | 38,102            | 20,102            |
|           | Capital Debtors                       | -                 | -                 |
|           | Value Added Tax                       | 2,087,717         | 1,428,588         |
|           | Prepayments                           | 259,246           | 295,311           |
|           | Lease debtors                         | -                 | -                 |
|           | Other                                 | 520,064           | 254,318           |
|           | Trade receivables                     | 538,133           | 423,705           |
|           | Impairment loss - Trade receivables   | (328,042)         | (285,965)         |
|           | Contract Receivables                  | -                 | -                 |
|           | <b>Total Short-Term Debtors</b>       | <b>11,977,038</b> | <b>10,603,800</b> |
|           | <b>Total Debtors</b>                  | <b>12,006,179</b> | <b>10,639,387</b> |

## 16 Investments

The Council has no investments.

|           |                                           |  |                   |                   |
|-----------|-------------------------------------------|--|-------------------|-------------------|
| <b>17</b> | <b>Borrowings</b>                         |  |                   |                   |
| <b>a</b>  | <b>Short Term Borrowing</b>               |  | <b>2024/25</b>    | <b>2023/24</b>    |
|           |                                           |  | £                 | £                 |
|           | Loans re-payable within one year          |  | 11,191,848        | 8,928,191         |
|           | Lease Principal                           |  | 113,089           | -                 |
|           | <b>Total Short Term Borrowing</b>         |  | <b>11,304,937</b> | <b>8,928,191</b>  |
| <b>b</b>  | <b>Long Term Borrowing</b>                |  | <b>2024/25</b>    | <b>2023/24</b>    |
|           |                                           |  | £                 | £                 |
|           | Between 1 and 2 years                     |  | 5,370,558         | 3,791,555         |
|           | Between 2 and 5 years                     |  | 13,746,784        | 11,466,061        |
|           | Between 5 and 10 years                    |  | 15,813,828        | 14,543,987        |
|           | In more than 10 years                     |  | 23,006,961        | 21,544,138        |
|           | <b>Government Loans Fund &amp; Leases</b> |  | <b>57,938,131</b> | <b>51,345,741</b> |
|           | <b>Total Borrowing</b>                    |  | <b>69,243,068</b> | <b>60,273,932</b> |

Following implementation of IFRS16 Leases in 2024/25 The impact on total borrowing has been £944,754 due to recognition of additional lease liabilities.

|           |                                       |  |                   |                   |
|-----------|---------------------------------------|--|-------------------|-------------------|
| <b>18</b> | <b>Creditors</b>                      |  |                   |                   |
| <b>a</b>  | <b>Short Term Creditors</b>           |  | <b>2024/25</b>    | <b>2023/24</b>    |
|           |                                       |  | £                 | £                 |
|           | Government Departments                |  | 1,438,954         | 2,128,170         |
|           | Other Councils                        |  | 1,117,671         | 212,040           |
|           | Public corporations and trading funds |  | 5,208             | 25,714            |
|           | Bodies external to general government |  | -                 | -                 |
|           | Rates clawback                        |  | -                 | -                 |
|           | VAT                                   |  | -                 | -                 |
|           | Remuneration due to employees         |  | 2,273,489         | 2,315,930         |
|           | Accumulated Absences                  |  | 766,002           | 658,977           |
|           | Loan Interest Payable                 |  | -                 | -                 |
|           | Capital Creditors                     |  | 4,705,078         | 2,922,175         |
|           | Receipts in advance                   |  | 1,397,938         | 879,681           |
|           | Trade creditors                       |  | 6,439,492         | 4,245,678         |
|           | Other                                 |  | 157,588           | 56,674            |
|           | Contract Payables                     |  | -                 | -                 |
|           | <b>Total Short Term Creditors</b>     |  | <b>18,301,420</b> | <b>13,445,039</b> |
|           | <b>Total Creditors</b>                |  | <b>18,301,420</b> | <b>13,445,039</b> |

The creditor balance for 'Other Councils' relates mainly to legal costs and contributions.  
There are no long-term creditors at 31st March 2025.

#### **c 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 16297 invoices totalling £83,158,720.

The number of disputed invoices were nil.

The Council paid:

15,380 (94%) invoices with 30 calendar days target;  
7,559 (46%) invoices within 10 working days target; and  
917 invoices outside of the 30 day target.

| Provisions          | Balance as at<br>1 April 2024<br>£ | Increase in<br>provision<br>during year<br>£ | Utilised during<br>year<br>£ | Unused amounts<br>reversed<br>£ | Interest cost<br>and/or discount<br>rate changes<br>£ | Balance as at 31<br>March 2025<br>£ |
|---------------------|------------------------------------|----------------------------------------------|------------------------------|---------------------------------|-------------------------------------------------------|-------------------------------------|
| Landfill Closure    | 1,496,926                          | 149,684                                      | (187,594)                    | -                               | (43,060)                                              | <b>1,415,956</b>                    |
| Restructuring Costs | -                                  | -                                            | -                            | -                               | -                                                     | -                                   |
| <b>Total</b>        | <b>1,496,926</b>                   | <b>149,684</b>                               | <b>(187,594)</b>             | <b>-</b>                        | <b>(43,060)</b>                                       | <b>1,415,956</b>                    |

|                      |                  |                |                  |          |                 |                  |
|----------------------|------------------|----------------|------------------|----------|-----------------|------------------|
| Current Provisions   | -                | 66,748         | -                | -        | -               | <b>66,748</b>    |
| Long Term Provisions | 1,496,926        | 82,936         | (187,594)        | -        | (43,060)        | <b>1,349,208</b> |
| <b>Total</b>         | <b>1,496,926</b> | <b>149,684</b> | <b>(187,594)</b> | <b>-</b> | <b>(43,060)</b> | <b>1,415,956</b> |

#### Comparative Year

| Provisions          | Balance as at<br>1 April 2023<br>£ | Increase in<br>provision<br>during year<br>£ | Utilised during<br>year<br>£ | Unused amounts<br>reversed<br>£ | Interest cost<br>and/or discount<br>rate changes<br>£ | Restated balance<br>as at 31 March<br>2024<br>£ |
|---------------------|------------------------------------|----------------------------------------------|------------------------------|---------------------------------|-------------------------------------------------------|-------------------------------------------------|
| Landfill Closure    | 1,777,219                          | 35,978                                       | (192,928)                    | -                               | (123,343)                                             | <b>1,496,926</b>                                |
| Restructuring Costs | 1,416,976                          | -                                            | -                            | (1,416,976)                     | -                                                     | -                                               |
| <b>Total</b>        | <b>3,194,195</b>                   | <b>35,978</b>                                | <b>(192,928)</b>             | <b>(1,416,976)</b>              | <b>(123,343)</b>                                      | <b>1,496,926</b>                                |

|                      |                  |               |                  |                    |                  |                  |
|----------------------|------------------|---------------|------------------|--------------------|------------------|------------------|
| Current Provisions   | 1,416,976        | -             | -                | (1,416,976)        | -                | -                |
| Long Term Provisions | 1,777,219        | 35,978        | (192,928)        | -                  | (123,343)        | <b>1,496,926</b> |
| <b>Total</b>         | <b>3,194,195</b> | <b>35,978</b> | <b>(192,928)</b> | <b>(1,416,976)</b> | <b>(123,343)</b> | <b>1,496,926</b> |

#### Landfill Closure

The expected cost of landfill closure and aftercare costs of £1,415,956 is based on the percentage utilisation of the landfill sites of both Drumanakelly and Aughnagun and has been recognised as a provision. Aughnagun Landfill Site was closed as at 31st March 2015. Drumanakelly 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 was 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:

**a Financial Assets as at 31 March 2025**

|                                                                               | Non-Current      |              | Current          |              | Total<br>£ |
|-------------------------------------------------------------------------------|------------------|--------------|------------------|--------------|------------|
|                                                                               | Investments<br>£ | Debtors<br>£ | Investments<br>£ | Debtors<br>£ |            |
| Fair Value through profit or loss                                             | -                | -            | -                | -            | -          |
| Amortised cost                                                                | -                | 29,141       | 820,245          | 703,423      | 1,552,809  |
| Fair Value through other comprehensive income - designated equity instruments | -                | -            | -                | -            | -          |
| Fair Value through other comprehensive income - Money Market Funds            | -                | -            | 8,620,351        | -            | 8,620,351  |
| <b>Total Financial Assets</b>                                                 | -                | 29,141       | 9,440,596        | 703,423      | 10,173,160 |
| Non-financial Assets                                                          | -                | -            | -                | 11,273,615   | 11,273,615 |
| <b>Total</b>                                                                  | -                | 29,141       | 9,440,596        | 11,977,038   | 21,446,775 |

**Financial Assets as at 31 March 2024**

|                                                                               | Non-Current      |              | Current          |              | Total<br>£ |
|-------------------------------------------------------------------------------|------------------|--------------|------------------|--------------|------------|
|                                                                               | Investments<br>£ | Debtors<br>£ | Investments<br>£ | Debtors<br>£ |            |
| Fair Value through profit or loss                                             | -                | -            | -                | -            | -          |
| Amortised cost                                                                | -                | 35,587       | 274,240          | 831,408      | 1,141,235  |
| Fair Value through other comprehensive income - designated equity instruments | -                | -            | -                | -            | -          |
| Fair Value through other comprehensive income - Money Market Funds            | -                | -            | 1,354,888        | -            | 1,354,888  |
| <b>Total Financial Assets</b>                                                 | -                | 35,587       | 1,629,128        | 831,408      | 2,496,123  |
| Non-financial Assets                                                          | -                | -            | -                | 9,772,392    | 9,772,392  |
| <b>Total</b>                                                                  | -                | 35,587       | 1,629,128        | 10,603,800   | 12,268,515 |

**b Financial Liabilities as at 31 March 2025**

|                                    | Non-Current       |                | Current           |                   | Total<br>£        |
|------------------------------------|-------------------|----------------|-------------------|-------------------|-------------------|
|                                    | Borrowings<br>£   | Creditors<br>£ | Borrowings<br>£   | Creditors<br>£    |                   |
| Fair Value through profit or loss  | -                 | -              | -                 | -                 | -                 |
| Amortised cost                     | 57,106,466        | -              | 11,304,937        | 11,836,306        | 80,247,709        |
| <b>Total financial liabilities</b> | <b>57,106,466</b> | -              | <b>11,304,937</b> | <b>11,836,306</b> | <b>80,247,709</b> |
| Non-financial liabilities          | -                 | -              | -                 | 6,465,092         | 6,465,092         |
| <b>Total</b>                       | <b>57,106,466</b> | -              | <b>11,304,937</b> | <b>18,301,398</b> | <b>86,712,801</b> |

**Financial Liabilities as at 31 March 2024**

|                                    | Non-Current       |                | Current          |                   | Total<br>£        |
|------------------------------------|-------------------|----------------|------------------|-------------------|-------------------|
|                                    | Borrowings<br>£   | Creditors<br>£ | Borrowings<br>£  | Creditors<br>£    |                   |
| Fair Value through profit or loss  | -                 | -              | -                | -                 | -                 |
| Amortised cost                     | 51,345,741        | -              | 8,928,191        | 8,235,635         | 68,509,567        |
| <b>Total financial liabilities</b> | <b>51,345,741</b> | -              | <b>8,928,191</b> | <b>8,235,635</b>  | <b>68,509,567</b> |
| Non-financial liabilities          | -                 | -              | -                | 5,209,404         | 5,209,404         |
| <b>Total</b>                       | <b>51,345,741</b> | -              | <b>8,928,191</b> | <b>13,445,039</b> | <b>73,718,971</b> |

**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 makes loans for car purchases to employees who are in posts that require them to drive regularly on the Council's business.

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

All financial liabilities and financial assets held by the authority are classified as loans and receivables and long-term debtors and

| Financial Liabilities                                | 31st March 2025   |                   | 31st March 2024   |                   |
|------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                      | Carrying amount   | Fair value        | Carrying amount   | Fair value        |
|                                                      | £                 | £                 | £                 | £                 |
| Financial liabilities held at amortised cost [Loans] | 68,411,403        | 60,452,089        | 60,273,932        | 53,164,064        |
| <b>Total</b>                                         | <b>68,411,403</b> | <b>60,452,089</b> | <b>60,273,932</b> | <b>53,164,064</b> |

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.

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

## d Nature and Extent of Risks Arising from Financial Instruments

The Council has no material exposure to any of the risks identified below in its dealings with financial instruments.

### 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. 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.

### 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. The Council also occasionally takes out short-term loans from other UK local authorities to benefit from low interest rates available. This is done with advice from the Council's treasury advisers and in line with the Treasury Management Strategy Statement for the year.

### Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies other than a bank account denominated in Euro for

## 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                                                                                                 | 2024/25<br>£     | 2023/24<br>£     |
|------------------------------------------------------------------------------------------------------|------------------|------------------|
| Net cost of services:                                                                                |                  |                  |
| Current service cost                                                                                 | 6,095,000        | 6,497,000        |
| Past service cost/(gain)                                                                             | 1,000            | 733,000          |
| Gains and losses on settlements or curtailments                                                      | -                | -                |
| Net operating expenditure:                                                                           |                  |                  |
| Net interest on net defined benefit Liability (asset) plus interest on unrecognised assets           | (98,000)         | (349,000)        |
| <b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b> | <b>5,998,000</b> | <b>6,881,000</b> |
| Movement in Reserves Statement:                                                                      |                  |                  |
| Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code          | (5,998,000)      | (6,881,000)      |
| Actual amount charged against the general fund balance for pensions in the year:                     |                  |                  |
| Employers' contributions payable to scheme                                                           | 5,815,000        | 6,444,000        |
| <b>Net adjustment to General Fund</b>                                                                | <b>(183,000)</b> | <b>(437,000)</b> |

The service cost figures include an allowance for administration expenses of £151k (2023/24 £154k).

| Note                                                                                 | 2024/25<br>£   | 2023/24<br>£       |
|--------------------------------------------------------------------------------------|----------------|--------------------|
| Liability gains/(losses) due to change in assumptions                                | 35,332,000     | 7,103,000          |
| Liability gains/(losses) due to due to demographic changes                           | 1,533,000      | 3,032,000          |
| Liability experience gains/(losses) arising in the year                              | (318,000)      | (2,706,000)        |
| Actuarial gains/(losses) on plan assets                                              | (869,000)      | 9,876,000          |
| Adjustment in respect of paragraph 64                                                | (35,417,000)   | (21,912,000)       |
| <b>Total gains/(losses) recognised in Other Comprehensive Income and Expenditure</b> | <b>261,000</b> | <b>(4,607,000)</b> |

| c Assets and liabilities in relation to retirement benefits          |  |              |              |
|----------------------------------------------------------------------|--|--------------|--------------|
| Reconciliation of present value of the scheme liabilities:           |  | Note         |              |
|                                                                      |  | 2024/25<br>£ | 2023/24<br>£ |
| Balance as at 1 April                                                |  | 200,470,000  | 195,482,000  |
| Current service cost                                                 |  | 6,095,000    | 6,497,000    |
| Interest cost                                                        |  | 9,525,000    | 9,100,000    |
| Contributions by members                                             |  | 1,967,000    | 1,952,000    |
| Remeasurement (gains) and losses:                                    |  |              |              |
| Actuarial gains/losses arising from changes in financial assumptions |  | (35,332,000) | (7,103,000)  |
| Actuarial gains/losses arising from demographic changes              |  | (1,533,000)  | (3,032,000)  |
| Actuarial gains/losses arising on liabilities from experience        |  | 318,000      | 2,706,000    |
| Other (if applicable)                                                |  | -            | -            |
| Past service costs/(gains)                                           |  | 1,000        | 733,000      |
| Losses/(gains) on curtailments                                       |  | -            | -            |
| Liabilities extinguished on settlements                              |  | -            | -            |
| Estimated unfunded benefits paid                                     |  | (87,000)     | (84,000)     |
| Estimated benefits paid                                              |  | (6,158,000)  | (5,781,000)  |
| Balance as at 31 March                                               |  | 175,266,000  | 200,470,000  |

| Reconciliation of present value of the scheme assets: |  | Note         |              |
|-------------------------------------------------------|--|--------------|--------------|
|                                                       |  | 2024/25<br>£ | 2023/24<br>£ |
| Balance as at 1 April                                 |  | 221,570,000  | 199,714,000  |
| Interest income                                       |  | 10,675,000   | 9,449,000    |
| Contributions by members                              |  | 1,967,000    | 1,952,000    |
| Contributions by employer                             |  | 5,728,000    | 6,360,000    |
| Contributions in respect of unfunded benefits         |  | 87,000       | 84,000       |
| Remeasurement gain/(loss)                             |  | (869,000)    | 9,876,000    |
| Assets distributed on settlements                     |  | -            | -            |
| Unfunded benefits paid                                |  | (87,000)     | (84,000)     |
| Benefits paid                                         |  | (6,158,000)  | (5,781,000)  |
| Balance as at 31 March                                |  | 232,913,000  | 221,570,000  |

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 £9.8m (2023/24 gain of £19.3m).

| Fair Value of Plan Assets | 2024/25<br>£ | 2023/24<br>£ |
|---------------------------|--------------|--------------|
| Equity investments        | 93,631,026   | 87,963,290   |
| Bonds                     | 75,463,812   | 72,231,820   |
| Property                  | 23,291,300   | 20,606,010   |
| Cash                      | 26,552,082   | 27,474,680   |
| Other                     | 13,974,780   | 13,294,200   |
|                           | 232,913,000  | 221,570,000  |

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):**

|                                                                          | 2024/25<br>£     | 2023/24<br>£     |
|--------------------------------------------------------------------------|------------------|------------------|
| Fair Value of Employer Assets                                            | 232,913,000      | 221,570,000      |
| Present value of funded defined benefit obligation                       | (174,532,000)    | (199,658,000)    |
| Pension asset/(liability) of Funded Scheme                               | 58,381,000       | 21,912,000       |
| Present Value of unfunded defined benefit obligation                     | (734,000)        | (812,000)        |
| Unrecognised Asset                                                       | (58,381,000)     | (21,912,000)     |
| <b>Net asset/(liability) arising from the defined benefit obligation</b> | <b>(734,000)</b> | <b>(812,000)</b> |
| Amount in the Balance sheet:                                             |                  |                  |
| Liabilities                                                              | (175,266,000)    | (200,470,000)    |
| Assets                                                                   | 174,532,000      | 199,658,000      |
| <b>Net Asset/(Liability)</b>                                             | <b>(734,000)</b> | <b>(812,000)</b> |

**d Scheme History**

| Analysis of scheme assets and liabilities   | 2024/25<br>£  | 2023/24<br>£  |
|---------------------------------------------|---------------|---------------|
| Fair Value of Assets in pension scheme      | 232,913,000   | 221,570,000   |
| Present Value of Defined Benefit Obligation | (175,266,000) | (200,470,000) |
| Unrecognised Asset                          | (58,381,000)  | (21,912,000)  |

|                                        |                  |                  |
|----------------------------------------|------------------|------------------|
| <b>Surplus/(deficit) in the Scheme</b> | <b>(734,000)</b> | <b>(812,000)</b> |
|----------------------------------------|------------------|------------------|

| Amount recognised in Other Comprehensive Income and Expenditure:            | 2024/25<br>£ | 2023/24<br>£ |
|-----------------------------------------------------------------------------|--------------|--------------|
| Actuarial gains/(losses)                                                    | 1,130,000    | (14,483,000) |
| Expected Return on Plan Assets                                              | (869,000)    | 9,876,000    |
| Increase/(decrease) in irrecoverable surplus from membership fall and other | -            | -            |
| Remeasurements recognised in Other Comprehensive Income and Expenditure     | 261,000      | (4,607,000)  |
| Cumulative actuarial gains and losses                                       | 71,928,000   | 71,667,000   |
| <b>History of experience gains and losses:</b>                              |              |              |
| Experience gains and (losses) on assets                                     | -            | -            |
| Experience gains and (losses) on liabilities                                | 318,000      | 2,706,000    |

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £175m has been balanced by the fair value of the assets resulting in a net asset of £58m which has been restricted to £nil as recorded in the Balance Sheet at 31/3/2025.

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 2026**

|                                                           | 31/03/2026<br>£  | 31/03/2026    |
|-----------------------------------------------------------|------------------|---------------|
| Projected current cost                                    | 4,258,000        | -31.0%        |
| Net interest on the net defined benefit liability (asset) | (133,000)        | -5.6%         |
| Past service cost                                         | -                | 0.0%          |
| Gains and losses on settlements or curtailments           | -                | 0.0%          |
|                                                           | <b>4,125,000</b> | <b>-36.6%</b> |

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the council in the year to 31 March 2026 is £6.045m.

**History of experience gains and losses**

The actuarial gains/losses identified as movements on the Pensions Reserve 2024/25 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2025.

|                                              | 2024/25<br>% | 2023/24<br>% |
|----------------------------------------------|--------------|--------------|
| Experience gains and (losses) on Assets      | 0.00%        | 0.00%        |
| Experience gains and (losses) on Liabilities | -0.18%       | -1.35%       |

**e Basis for estimating assets and liabilities**

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The Council's Fund liabilities have been assessed by Aon Hewitt Limited, an independent firm of actuaries, estimates for the Council Fund being based on data pertaining to the latest full valuation of the scheme as at 31 March 2025.

| Pension scheme assumptions:                                                  | 2024/25<br>% | 2023/24<br>% |
|------------------------------------------------------------------------------|--------------|--------------|
| Equity investments                                                           | 40.2%        | 39.7%        |
| Bonds                                                                        | 32.4%        | 32.6%        |
| Property                                                                     | 10.0%        | 9.3%         |
| Cash                                                                         | 11.4%        | 12.4%        |
| Other                                                                        | 6.0%         | 6.0%         |
| <b>Mortality assumptions:</b>                                                |              |              |
| Longevity at 65 current pensioners:                                          | Years        | Years        |
| Men                                                                          | 21.6         | 21.7         |
| Women                                                                        | 24.5         | 24.6         |
| Longevity at 65 for future pensioners:                                       |              |              |
| Men                                                                          | 22.2         | 22.7         |
| Women                                                                        | 25.2         | 25.6         |
| Inflation/Pension Increase Rate                                              | 2.50%        | 2.60%        |
| Salary Increase Rate                                                         | 4.00%        | 4.10%        |
| Expected Return on Assets                                                    | 0.00%        | 0.00%        |
| Discount Rate                                                                | 5.80%        | 4.80%        |
| Pension accounts revaluation rate                                            | 2.50%        | 2.60%        |
| <b>Take-up of option to convert annual pension into retirement lump sum:</b> |              |              |
| Service to April 2009                                                        | 0%           | 0%           |
| Service post April 2009                                                      | 0%           | 0%           |

## 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 2025 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

### 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                                   | 171,914,000 | 177,325,000 |
| % change in the present value of the total obligation                   | -1.50%      | 1.60%       |
| Projected service cost                                                  | 4,079,000   | 4,441,000   |
| Approximate % change in projected service cost                          | -4.20%      | 4.30%       |
| 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                                   | 175,056,000 | 174,008,000 |
| % change in the present value of the total obligation                   | 0.30%       | -0.30%      |
| Projected service cost                                                  | 4,258,000   | 4,258,000   |
| 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                                   | 176,801,000 | 172,438,000 |
| % change in the present value of the total obligation                   | 1.30%       | -1.20%      |
| Projected service cost                                                  | 4,441,000   | 4,079,000   |
| Approximate % change in projected service cost                          | 4.30%       | -4.20%      |
| Post Retirement Mortality Assumption                                    |             |             |
|                                                                         | - 1 Year    | +1 Year     |
| Adjustment to mortality age rating assumption*                          |             |             |
| Present value of the total obligation                                   | 178,546,000 | 170,518,000 |
| % change in the present value of the total obligation                   | 2.30%       | -2.30%      |
| Projected service cost                                                  | 4,407,000   | 4,109,000   |
| Approximate % change in projected service cost                          | 3.50%       | -3.50%      |

\* 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 Fund's assets consist of the following categories, by proportion of the total

|                    | 31/03/2025     | 31/03/2024     |
|--------------------|----------------|----------------|
|                    | %              | %              |
| Equity investments | 40.20%         | 39.70%         |
| Government Bonds   | 15.40%         | 15.00%         |
| Corporate Bonds    | 17.00%         | 17.60%         |
| Property           | 10.00%         | 9.30%          |
| Cash               | 11.40%         | 12.40%         |
| Other              | 6.00%          | 6.00%          |
| <b>Total</b>       | <b>100.00%</b> | <b>100.00%</b> |

#### **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 31/03/22. 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 2025.

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

#### **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 2025 (31/3/2024 £Nil). Following the adoption of IFRS16 Leases at 1/4/2024, the Council has recorded Donated Assets income as disclosed at Note 10c.

#### **23 Capital Grants Received in Advance**

The Council has no capital grants received in advance other than those reflected in the Capital Grants Unapplied account.

#### **24 Contingencies**

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 participant Councils. No further information on this agreement can be disclosed due to the commercial sensitivity of the procurement process.

The Council has a number of ongoing legal cases, the outcome of which are uncertain and difficult to predict.

**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 non-cash movements | Notes | 2024/25           | 2023/24          |
|--------------------------------------------------------------------------------------|-------|-------------------|------------------|
|                                                                                      |       | £                 | £                |
| Depreciation                                                                         | 11    | 9,582,561         | 9,120,526        |
| Impairment & downward revaluations (& non-sale derecognitions)                       | 11    | 1,329,545         | 556,558          |
| Amortisation (included with depreciation above)                                      |       | -                 | -                |
| (Increase)/Decrease in inventories                                                   |       | 50,610            | 6,295            |
| (Increase)/Decrease in Debtors                                                       |       | 873,389           | (2,747,402)      |
| Increase/(Decrease) in impairment provision for bad debts                            |       | 42,077            | 7,393            |
| Increase/(Decrease) in Creditors                                                     |       | 3,249,902         | (43,798)         |
| Increase/(Decrease) in Interest Creditors                                            |       | -                 | -                |
| Payments to NILGOSC                                                                  | 21b   | 183,000           | 437,000          |
| Carrying amount of non-current assets sold                                           | 8     | 174,599           | 140,061          |
| AIC/WIP written off to Net Cost of Services                                          | 11    | -                 | -                |
| Contributions to Other Reserves/Provisions                                           |       | (80,970)          | (1,697,269)      |
| Amounts posted to CIES from Donated Assets Account                                   | 22    | -                 | -                |
|                                                                                      |       | <b>15,404,713</b> | <b>5,779,364</b> |

| Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing                                            | Notes | 2024/25            | 2023/24            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|--------------------|--------------------|
|                                                                                                                                                                  |       | £                  | £                  |
| 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                                                                                        | 8     | (128,975)          | (197,760)          |
| Capital grants included in "Taxation & non-specific grant income"                                                                                                | 10    | (6,838,101)        | (1,918,676)        |
|                                                                                                                                                                  |       | <b>(6,967,076)</b> | <b>(2,116,436)</b> |

**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:

|                                                            | 2024/25          | 2023/24          | 2022/23          |
|------------------------------------------------------------|------------------|------------------|------------------|
|                                                            | £                | £                | £                |
| Cash and Bank balances                                     | 796,750          | 259,458          | 1,848,280        |
| Short Term Deposits (considered to be Cash Equivalents)    | 8,643,846        | 1,369,670        | 5,951,891        |
| Short Term Investments (considered to be Cash Equivalents) | -                | -                | -                |
| Bank Overdraft                                             | -                | -                | -                |
|                                                            | <b>9,440,596</b> | <b>1,629,128</b> | <b>7,800,171</b> |

| <b>c Cash Flow Statement: Operating Activities</b> |  | <b>2024/25</b> | <b>2023/24</b> |
|----------------------------------------------------|--|----------------|----------------|
| The cash flows from operating activities include:  |  | £              | £              |
| Interest received                                  |  | 437,416        | 287,613        |
|                                                    |  |                |                |
| Interest paid                                      |  | 2,279,142      | 1,814,085      |
|                                                    |  |                |                |

| <b>d Cash flows from Investing Activities</b>                                |  | <b>2024/25</b>      | <b>2023/24</b>     |
|------------------------------------------------------------------------------|--|---------------------|--------------------|
|                                                                              |  | £                   | £                  |
| Purchase of PP&E, investment property and intangible                         |  | (16,849,873)        | (11,760,567)       |
| 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    |  | 128,975             | 197,760            |
| Proceeds from Short Term Investments (not considered to be cash equivalents) |  | -                   | -                  |
| Proceeds from Long Term Investments                                          |  | -                   | -                  |
| Capital Grants and Contributions Received                                    |  | 4,555,843           | 1,624,839          |
| Other Receipts from Investing Activities                                     |  | -                   | -                  |
|                                                                              |  |                     |                    |
| <b>Net Cash flows from Investing Activities</b>                              |  | <b>(12,165,055)</b> | <b>(9,937,968)</b> |

| <b>e Cash flows from Financing Activities</b>                                                                       |  | <b>2024/25</b>   | <b>2023/24</b> |
|---------------------------------------------------------------------------------------------------------------------|--|------------------|----------------|
|                                                                                                                     |  | £                | £              |
| Cash Receipts from Short and Long Term Borrowing                                                                    |  | 12,113,089       | -              |
| Other Receipts from Financing Activities                                                                            |  | -                | -              |
| Cash payments for the reduction of the outstanding liability relating to a lease and on-Balance Sheet PFI contracts |  | -                | -              |
| Repayment of Short and Long Term Borrowing                                                                          |  | (3,975,618)      | 908,696        |
| Other payments for Financing Activities                                                                             |  | -                | -              |
|                                                                                                                     |  |                  |                |
| <b>Net Cash flows from Financing Activities</b>                                                                     |  | <b>8,137,471</b> | <b>908,696</b> |

## 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 | 31/03/2025 | 31/03/2024 |
|------------------------------------------------------|-------|------------|------------|
|                                                      |       | £          | £          |
| <b>At 1 April</b>                                    |       | -          | -          |
| <b>Movement</b>                                      |       |            |            |
|                                                      |       | -          | -          |
| Disposal of Non-Current Assets/Capital Sales         |       | 128,975    | 197,760    |
| Capital Receipts used to finance capital expenditure | 3, 11 | (128,975)  | (197,760)  |
| Other Movements                                      |       | -          | -          |
| <b>At 31 March</b>                                   |       | -          | -          |

### b Capital Grants Unapplied Account

Where a capital grant or contribution (or part thereof) has been recognised as income in the Comprehensive Income and Expenditure Statement, but the expenditure to be financed from that grant or contribution has not been incurred at the Balance Sheet date, the grant or contribution shall be transferred to the Capital Grants Unapplied Account (within the usable reserves section of the balance sheet), reflecting its status as a capital resource available to finance expenditure. This transfer is reported in the Movement in Reserves Statement.

When, at a future date, the expenditure to be financed from the grant or contribution is incurred, the grant or contribution (or part thereof) shall be transferred from the Capital Grants Unapplied Account to the Capital Adjustment Account, reflecting the application of capital resources to finance expenditure. This transfer is also reported in the Movement in Reserves Statement or in the notes to the accounts.

| Capital Grants Unapplied account                        | Notes | 31/03/2025     | 31/03/2024       |
|---------------------------------------------------------|-------|----------------|------------------|
|                                                         |       | £              | £                |
| <b>At 1 April</b>                                       |       | 1,633,556      | -                |
| <b>Movement</b>                                         |       |                |                  |
| Unapplied Capital Grants received in year               |       | 132,581        | -                |
| Transferred from/(to) Other Balances & Reserves in year | 26d   | (46,115)       | 1,633,556        |
| Unapplied Capital Grants transferred to CAA in year     |       | (1,487,048)    | -                |
| <b>At 31 March</b>                                      |       | <b>232,974</b> | <b>1,633,556</b> |

### c 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 | 31/03/2025        | 31/03/2024        |
|---------------------------------------------------------------------|-------|-------------------|-------------------|
|                                                                     |       | £                 | £                 |
| <b>At 1 April</b>                                                   |       | 15,000,000        | 15,000,000        |
| Transfers between statutory & other reserves & the General Fund     |       | -                 | -                 |
| Transfers between Capital Fund & CAA to finance Capital Expenditure | 12    | -                 | -                 |
| <b>At 31 March</b>                                                  |       | <b>15,000,000</b> | <b>15,000,000</b> |

#### d Other Balances & Reserves

| Other Balances & Reserves                                                                 | Notes | 31/03/2025       | 31/03/2024       |
|-------------------------------------------------------------------------------------------|-------|------------------|------------------|
|                                                                                           |       | £                | £                |
| At 1 April                                                                                |       | 7,896,919        | 9,645,176        |
| Transfers between statutory & other reserves & the General Fund                           | 4     | (368,300)        | 1,251,106        |
| Transferred to Capital Grants Unapplied Account                                           | 26b   | 46,115           | (1,633,556)      |
| Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure | 11    | -                | (1,365,807)      |
| <b>At 31 March</b>                                                                        |       | <b>7,574,734</b> | <b>7,896,919</b> |

(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 31/3/25 is £199,500 (31/3/24 £Nil).

(ii). 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 31/3/25 is £Nil (31/3/24 £18,111).

(iii). Revitalisation Reserve - this reserve has been created to assist with the revitalisation of the District. The balance at 31/3/25 is £716,411 (31/3/24 £754,920).

(iv). 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 and again in March 2023. The balance at 31/3/25 is £Nil (31/3/24 £168,689) in addition £46,115 was transferred from the Capital Grants Unapplied Account at 31/3/25.

(v). Future Rate Pressure Reserve - this reserve has been created to alleviate future Rate pressures. The balance at 31/3/25 is £1,835,669 (31/3/24 £2,843,669).

(vi). Leisure Claim Reserve - this reserve has been set up to fund future leisure services. The balance at 31/3/25 is £4,756,528 (31/3/24 £4,111,528).

(vii). Integrated Advice Partnership Reserve - the Department for Communities set up this fund to increase the reach of debt advice. The balance at 31/3/25 is £66,624 (31/3/24 £Nil).

#### e General Fund

This reserve 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 District Rates. Councils raise rates to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

| General Fund                                                                                                                                                   | Notes        | 31/03/2025        | 31/03/2024        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------|-------------------|
|                                                                                                                                                                |              | £                 | £                 |
| At 1 April                                                                                                                                                     |              | 14,990,597        | 11,096,172        |
| Applied Capital Grants                                                                                                                                         | 10, 12       | (6,705,520)       | (1,918,676)       |
| Unapplied Capital Grants received in year                                                                                                                      |              | (132,581)         | -                 |
| Direct Revenue Financing                                                                                                                                       | 4, 12        | -                 | -                 |
| Depreciation and Impairment adjustment                                                                                                                         | 4            | 10,912,106        | 9,677,084         |
| Statutory Provision for financing Capital Investment                                                                                                           | 4            | (6,877,759)       | (5,309,000)       |
| Net Revenue expenditure funded from capital under                                                                                                              | 4, 12        | 1,655,632         | 3,240,091         |
| Surplus/(Deficit) on the Provision of Services                                                                                                                 | CIES         | 3,401,415         | (804,699)         |
| Transfers between Statutory and Other Reserves and the General Fund                                                                                            | 4            | 368,300           | (1,251,106)       |
| Net movements on Pension Reserve                                                                                                                               | 4, 21        | 183,000           | 437,000           |
| Disposal of Fixed Assets/Capital Sales                                                                                                                         | 3, 4, 11, 23 | 45,624            | (57,699)          |
| Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements |              | 107,025           | 4,773             |
| Other Movements                                                                                                                                                |              | (43,060)          | (123,343)         |
| <b>At 31 March</b>                                                                                                                                             |              | <b>17,904,779</b> | <b>14,990,597</b> |

## 27 Unuseable Reserves

### a Capital Adjustment Account

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

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

The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2008, the date that the Revaluation Reserve was created to hold such gains.

| Capital Adjustment Account                                                                | Notes  | 31/03/2025        | Restated<br>31/03/2024 | Restated<br>31/03/2023 |
|-------------------------------------------------------------------------------------------|--------|-------------------|------------------------|------------------------|
|                                                                                           |        |                   | £                      | £                      |
| At 1 April 2022                                                                           |        |                   |                        | 44,288,017             |
| Other Movements - Prior Year Adjustment                                                   | 27b    |                   |                        | 2,961,531              |
| At 1 April                                                                                |        | 45,109,578        | 46,760,322             | 47,249,548             |
| Applied Capital Grants                                                                    | 10, 12 | 6,705,520         | 1,918,676              | 2,023,255              |
| Unapplied Capital Grants transferred to CAA in year                                       |        | 1,487,048         | -                      | -                      |
| Direct Revenue Financing                                                                  | 4, 12  | -                 | -                      | -                      |
| Depreciation & Impairment adjustment                                                      | 11     | (10,912,106)      | (9,677,084)            | (8,116,142)            |
| Statutory Provision for financing Capital Investment                                      | 4, 12  | 6,877,759         | 5,309,000              | 4,207,000              |
| Net Revenue expenditure funded from Capital under statute                                 | 4, 12  | (1,655,632)       | (3,240,091)            | (1,257,144)            |
| Disposal of Fixed Assets/Capital Sales                                                    | 4, 11  | (174,599)         | (140,061)              | (1,458,847)            |
| Capital Receipts used to finance capital expenditure                                      | 4, 12  | 128,975           | 197,760                | 957,067                |
| Other Movements                                                                           | 27b    | 2,793,804         | 2,615,249              | 2,500,789              |
| Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure | 12     | -                 | 1,365,807              | 654,796                |
| <b>At 31 March</b>                                                                        |        | <b>50,360,347</b> | <b>45,109,578</b>      | <b>46,760,322</b>      |

#### Prior Year Adjustment Explanation

An error has been identified in the Council's accounts relating to the Revaluation Reserve, originating in the 2018/19 financial year. The issue arose from a mismatch between the revaluation reserve balance recorded in the financial statements and the asset revaluation data held in the Council's Asset Management system. Significant work was undertaken following the 2023/24 year-end accounts, in collaboration with the software provider, to investigate and understand discrepancies identified in asset records. The variance was found to be due to system bugs related to the disposal of assets. The £3m historical error has been fully identified and reconciled.

All affected transactions involved movements exclusively between the Capital Adjustment Account and the Revaluation Reserve, with no impact on the overall financial position.

## b Revaluation Reserve

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

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

The reserve contains only revaluation gains accumulated since 1 April 2008, the date the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment

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

| Revaluation Reserve                     | Notes | 31/03/2025        | Restated<br>31/03/2024 | Restated<br>31/03/2023 |
|-----------------------------------------|-------|-------------------|------------------------|------------------------|
|                                         |       |                   | £                      | £                      |
| At 1 April 2022                         | 27a   |                   |                        | 59,738,922             |
| Other Movements - Prior Year Adjustment |       |                   |                        | (2,961,531)            |
| At 1 April                              |       | 67,511,134        | 64,559,475             | 56,777,391             |
| Revaluation & Impairment                | 11    | 4,446,196         | 5,566,908              | 10,282,873             |
| Other Movements                         | 27a   | (2,793,804)       | (2,615,249)            | (2,500,789)            |
| <b>At 31 March</b>                      |       | <b>69,163,526</b> | <b>67,511,134</b>      | <b>64,559,475</b>      |

## c Pension Reserve

| Pension Reserve                  | Notes | 31/03/2025       | 31/03/2024       |
|----------------------------------|-------|------------------|------------------|
|                                  |       | £                | £                |
| At 1 April                       |       | (812,000)        | 4,232,000        |
| Net Movements on Pension Reserve | 4, 21 | (183,000)        | (437,000)        |
| Revaluation & Impairment         | 21    | 261,000          | (4,607,000)      |
| <b>At 31 March</b>               |       | <b>(734,000)</b> | <b>(812,000)</b> |

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs

However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

#### d Accumulated Absences Account

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

| Accumulated Absences Account                                                                                                                                   | Notes | 31/03/2025       | 31/03/2024       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------------------|------------------|
|                                                                                                                                                                |       | £                | £                |
| At 1 April                                                                                                                                                     |       | (658,977)        | (654,204)        |
| Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements |       | (107,025)        | (4,773)          |
| <b>At 31 March</b>                                                                                                                                             |       | <b>(766,002)</b> | <b>(658,977)</b> |

#### e Provisions Discount Rate Reserve

The Provisions Discount Rate Reserve covers the arrangement, put in place by the Department under its amendment to the 2018/19 accounts direction (see DfC circular 18/19), to allow for mitigation of the costs not allowed for by Councils who had adopted the HM Treasury Central Government discount rate for long-term provisions such as Landfill costs.

Subject to agreement with the Department, this arrangement allows a council to spread the cost of the impact of discount rate changes over an agreed period.

| Provisions Discount Rate Reserve                                                                                                                               | Notes | 31/03/2025       | 31/03/2024       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------------------|------------------|
|                                                                                                                                                                |       | £                | £                |
| At 1 April                                                                                                                                                     |       | (371,194)        | (494,537)        |
| Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements |       | 43,060           | 123,343          |
| Other Movements                                                                                                                                                |       | -                | -                |
| <b>At 31 March</b>                                                                                                                                             |       | <b>(328,134)</b> | <b>(371,194)</b> |

#### 28 Significant Trading Operations

The Council considers its only significant trading operation to be the provision of car parking facilities. The results for this are disclosed in Note 2, namely Income of £644,922 and costs of £321,924.

In deciding whether a trading operation is significant the Council takes both financial and non-financial criteria into account.

Financial criteria taken into account in deciding whether trading operations are significant to the Council are:

- the magnitude of each individual trading operation's turnover.
- the risk of financial loss the Council may be exposed to in providing the service to the user.

Non-financial criteria taken into account in deciding whether trading operations are significant to the Council are:

- the importance of each individual trading operation to demonstrating the achievement of Council targets and improving performance.
- the exposure of the Council to service reputational loss risk by providing the service
- whether the provision of the service is likely to be of interest to the Council's key stakeholders and their needs.

1. Newry BID Company Ltd - Business Improvement Districts (BIDs) were an initiative established through the Department for Communities which allow town centres to establish action plans to bring forward additional initiatives, services and projects under a BID plan. Rate paying businesses within the defined BID area then vote whether to accept the plan or not. If the BID is approved by a majority of the ballot received an additional BID levy is then invoiced to all businesses within the BID area to implement the agreed plan. The Council provides invoicing and debt collection services to Newry BID Company Ltd. During the year the Council raised invoices on behalf of the company amounting to £335,741. Payments were made to the company of £248,000. The company also reimburses the Councils reasonable charges and expenses which amounted to £5,739 for the financial year under review. The balance outstanding from the BID company's debtors amounted to £591,469 at 31st March 2025. This resulted in a net amount of debt held by the Council on behalf of the company at 31st March 2025 of £79,996, this balance is included in Short Term Creditors. No transactions other than the charges noted previously have been reflected in the Comprehensive Income and Expenditure Statement. Internal Audit Provided limited assurance in their review of Newry BID. Specifically, they identified significant issues regarding the veracity of financial records between Newry BID and the Council. Further details can be found in the Annual Governance Statement.

2. C.A.N.N. is the abbreviation for Collaborative Action for the Natura Network. The Group consists of eleven project partners. Agri-Food and Biosciences Institute, Argyll and the Isles Coast and Countryside Trust, Armagh City, Banbridge and Craigavon Borough Council, East Border Region Ltd, Golden Eagle Trust, Institute of Technology Sligo, Monaghan County Council, Newry, Mourne and Down District Council, Scottish Natural Heritage, Ulster University and the Ulster Wildlife Trust. The project is funded by the Special EU Programmes Body (SEUPB). Newry Mourne and Down District Council (NMDDC) are the lead partners for the project. Claims for the project partners are made by the individual organisations to SEUPB. The funding for all partners is paid into NMDDC's bank account. The Council subsequently pays this funding to the project partners. During this current year NMDDC received €132,432 (2023/24 €1,072,549) of grants from SEUPB on behalf of the project partners and paid €82,078 (2023/24 €1,089,105) to the project partners. These transactions are not reflected in the Council's Revenue accounts. The balance owing to the other project partners at 31st March 2025 was €54,173 (31/3/24 €3,819).

3. The Digital Transformation Flexible Fund (DTFF) - the Council is a lead member of the Full Fibre Northern Ireland (FFNI) Consortium, which is comprised of all local authorities outside of Belfast and administers the project. DTFF is a Northern Ireland wide grant scheme designed to stimulate digital innovation. It seeks to address the financial barriers to the adoption of advanced digital technologies to achieve business transformation in small and micro-businesses. The £7.5m funding programme is delivered by local authorities in NI under the FFNI Consortium and supported by Invest NI. Newry Mourne and Down District Council (NMDDC) are the lead partners for the project. Funding for the partners is paid into NMDDC's bank account. The Council subsequently pays this funding to the project partners. During this current year NMDDC received £909,425 (2023/24 £Nil) and paid £469,953 (2023/24 £Nil). The balance owing to other project partners at 31st March 2025 was £439,472.

## 30 Related Party Transactions

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the council or to be controlled or influenced by the council. Disclosure of these transactions allows readers to assess the extent to which the council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the council.

Central government has significant influence over the general operations of the council - it is responsible for providing the statutory framework within which the council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the council has with other parties. Grant receipts outstanding at 31 March 2025 are shown in Note 4.

Members of the council have direct control over the council's financing and operating policies. The total of members' allowances paid in 2024/25 is shown in Note 7. During 2024/25, works and services to the value of £100,262 (2023/24 £269,970) were commissioned from companies in which individual members and senior officers had an interest. In addition, a member of the Council is a member of the ARC 21 Committee (disclosed separately below). Contracts were entered into in full compliance with the council's standing orders. In addition, the Council received rental income from one organisation in which a member declared an interest. In addition, the council paid grants/SLAs totalling £585,812 to voluntary organisations in which 25 members had positions on the governing body and £7,944 to an organisation in which a senior officer had an interest. In all instances, the grants were made with proper consideration of declarations of interest. The relevant members did not take part in any discussion or decision relating to the grants. Details of all these transactions are recorded in the Register of Members' Interest, open to public inspection at the Civic Centre during office hours.

| <u>Organisation</u>                  | <u>Members</u> | <u>Grants/SLAs</u><br>£ | <u>Other</u><br>£ |
|--------------------------------------|----------------|-------------------------|-------------------|
| ASSOCIATION FOR PUBLIC SERVICE       | 1              | -                       | 13,704            |
| BESSBROOK PRIMRAY SCHOOL             | 1              | 190                     | -                 |
| CAMLOUGH COMMUNITY ASSOCIATION       | 1              | 2,635                   | -                 |
| CARLINGFORD LOUGH COMMISSION         | 2              | -                       | 6,360             |
| DUBLIN BELFAST ECONOMIC CORRIDOR     | 1              | 18,381                  | -                 |
| DOWN BUSINESS CENTRE LIMIT           | 1              | -                       | 2,845             |
| DOWN COMMUNITY ARTS                  | 1              | 52,950                  | 600               |
| DOWNPATRICK COMMUNITY COLLECTIVE     | 1              | 28,300                  | -                 |
| EAST BORDER REGION COMMITTEE         | 1              | 20,000                  | -                 |
| EDUCATION AUTHORITY                  | 2              | 6,600                   | -                 |
| KELLY'S COFFEE (INCOME)              | 1              | -                       | (5,025)           |
| KILCOO EOGHAN RUA KILCOO GAA         | 1              | 5,482                   | -                 |
| MOURNE HERITAGE TRUST                | 4              | 336,572                 | -                 |
| MOURNE STIMULUS LTD                  | 1              | 558                     | -                 |
| N.I. LOCAL GOVERNMENT ASSOCIATION    | 1              | 59,368                  | 3,592             |
| NATIONAL ASSOCIATION OF COUNCILLORS  | 1              | -                       | 3,280             |
| NEWRY MARITIME ASSOCIATION           | 1              | 2,467                   | 150               |
| PATRICIAN YOUTH CENTRE               | 1              | -                       | 80                |
| QUEENS UNIVERSITY BELFAST            | 1              | 5,093                   | 54,523            |
| RIVER VALLEY DEVELOPMENT ASSOCIATION | 1              | 11,492                  | -                 |
| ROSTREVOR MEN'S SHED                 | 1              | 9,503                   | -                 |
| ROYAL MAIL GROUP LTD                 | 1              | -                       | 502               |
| SAFER WARRENPOINT PROJECT            | 1              | 5,000                   | -                 |
| ST MALACHYS PRIMARY SCHOOL           | 1              | 310                     | -                 |
| ST MARYS GFC                         | 1              | 654                     | -                 |
| ST BRONAGH'S G.A.A                   | 1              | 4,410                   | -                 |
| ST OLIVER PLUNKETT YOUTH CLUB        | 1              | 3,702                   | -                 |
| STICKY FINGERS ARTS                  | 1              | 11,280                  | 4,200             |
| TI CHULAINN LTD                      | 1              | 864                     | 622               |
| WARRENPOINT HARBOUR AUTHORITY        | 3              | -                       | 350               |
| KELLYS POINT HIRE LTD                | -              | -                       | 9,104             |
| LISLEA COMMUNITY ASSOCIATION         | -              | 7,944                   | 350               |
|                                      |                | <b>593,755</b>          | <b>95,237</b>     |

\* Arc 21 - See Below

1

The Council incurred expenditure of £770,618 (2023/24 £586,943) to other councils of which £76,258 (31/3/24 £104,875) was outstanding as at 31st March 2025.

The Council has recorded income of £727,562 (2023/24 £817,543) from other councils of which £26,475 (31/3/24 £90,344) was outstanding as at 31st March 2025.

### **31 Prior Year Re - statement**

#### **Prior Year Adjustment Explanation**

An error has been identified in the Council's accounts relating to the Revaluation Reserve, originating in the 2018/19 financial year. The issue arose from a mismatch between the revaluation reserve balance recorded in the financial statements and the asset revaluation data held in the Council's Asset Management system. Significant work was undertaken following the 2023/24 year-end accounts, in collaboration with the software provider, to investigate and understand discrepancies identified in asset records. The variance was found to be due to system bugs related to the disposal of assets. The £3m historical error has been fully identified and reconciled.

All affected transactions involved movements exclusively between the Capital Adjustment Account and the Revaluation Reserve, with no impact on the overall financial position.

### **32 Events after the Reporting Period**

The Statement of Accounts was authorised for issue by the Audit Committee on 25 September 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements have been adjusted in all material respects to reflect the impact of this information.

### **33 Date of authorisation for issue**

The Chief Financial Officer authorised these financial statements for issue on 29 September 2025.