

**FERMANAGH & OMAGH DISTRICT COUNCIL**  
**AUDITED STATEMENT**  
**OF ACCOUNTS**

**YEAR ENDED 31 MARCH 2016**

Fermanagh and Omagh District Council	
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## **Narrative Report**

### **Introduction**

Fermanagh and Omagh District Council came into existence on 26th May 2014, operating in shadow form until it took over full responsibility for local government on 1st April 2015 when Fermanagh District Council and Omagh District Council ceased to exist. The Local Government Act (Northern Ireland) 2014 introduced the legislative framework for Northern Ireland's 11 new councils and made transitional provisions to provide for the transfer of staff, assets and liabilities from the current 26 councils to the 11 new councils, and from departments transferring functions to the new councils.

The Council's financial performance for the year ended 31st March 2016 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 2016 (the Code) and the Department of the Environment Accounts Direction, Circular LG 04/2016. 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 Fermanagh and Omagh District Council's finances during the financial year 2015/16 and its financial position at the end of that year. It follows approved accounting standards and is necessarily technical in parts.

The Narrative Report is not part of the financial statements but is prepared on the basis that it is consistent with the financial statements and the Narrative Report does not purport to comment on Council policies.

### **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. Fermanagh and Omagh District Council has an interest in Tullyvar Landfill which is accounted for as a joint venture.

### **The Movement in Reserves Statement**

This Statement, as set out on page 20, shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for Local Tax purposes. The 'Net increase /Decrease before transfers to statutory and other reserves' line shows the statutory General Fund Balance before any discretionary transfers to or from statutory and other reserves undertaken by the Council.

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

This statement, as set out on page 21, shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

## The Balance Sheet

The Balance Sheet, as set out on page 22, shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, ie those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

## The Cash Flow Statement

The Cash Flow Statement 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.

## Financial Report

For the year ended 31 March 2016, the Council increased its General Fund reserve by £2.83m to £2.97m. This increase includes transfer of general fund balances from legacy councils of £2.73m on 01 April 2015, therefore the net increase in the general fund balance in the year is £99k. This is after allocations, deducted from the surplus for the year, of £1.19m direct financing of capital expenditure, £1.10m to the capital fund, £0.50m to the Renewals and Repairs Fund and £1.29m to other earmarked reserves. The Council's budget has been supplemented by additional District Rate income of £653k, additional rate support grant of £249k and additional de-rating grant of £103k. The total net operating expenditure reported in the Comprehensive Income and Expenditure Statement is £32.5m which includes redundancy payments of £1.56k (£1.2k net of reimbursements from other councils) as a result of Local Government Reform.

A summary of the actual income and expenditure for 2015-16 compared with the Estimates for the year is shown below:

	Actual £	Estimated £	Variance £
<b>Expenditure</b>	41,067,180	43,889,255	(2,822,075)
<b>Income from services</b>	<u>(11,100,725)</u>	<u>(11,961,188)</u>	<u>860,463</u>
<b>Net Cost</b>	29,966,455	31,928,067	-1,961,612
<b>Transfers to Reserves</b>	<u>2,959,045</u>	<u>91,626</u>	<u>2,867,419</u>
<b>Net Expenditure after Transfers</b>	<b>32,925,500</b>	<b>32,019,693</b>	905,807
<b>Financed by:</b>			
<b>Grant:</b>			
De-rating Grant	(1,637,697)	(1,534,542)	<u>(103,155)</u>
Transferred Functions Grant	(154,250)	(154,250)	<u>0</u>
Rates Support Grant	<u>(1,624,112)</u>	<u>(1,375,615)</u>	<u>(248,497)</u>
<b>Total Grant</b>	<u>(3,416,059)</u>	<u>(3,064,407)</u>	<u>(351,652)</u>
	29,509,442	28,955,287	554,155
<b>District Rates</b>	<u>(29,607,942)</u>	<u>(28,955,287)</u>	<u>(652,655)</u>
<b>Surplus/(Deficit)</b>	<u>98,500</u>	<u>0</u>	<u>98,500</u>

The Statement of Accounts includes provisions in respect of landfill closure and aftercare costs. These provisions have been prepared in accordance with provisions that have been agreed by the Northern Ireland Environment Agency (NIEA) as at 31 March 2014, but may be subject to detailed scrutiny by NIEA and the final agreed figures may be different.

### Transactions Relating to Retirement Benefits

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.

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.

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 and 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 included in the adjustments between accounting basis and funding basis under regulations line, in the Movement on Reserves Statement during the year:

	2015/16
	£
Current service cost	3,812,000
Gains and losses on settlements or curtailments	
Past service cost/(gain)	482,000
<b>Net operating expenditure:</b>	<b>4,294,000</b>
Interest cost	3,559,000
Expected return on scheme assets	(3,063,000)
<b>Net charges to the Comprehensive Income and Expenditure Statement</b>	<b>4,790,000</b>

The gain of £4.88m resulting from the remeasurement of the net defined benefit liability/(asset) is included in the Comprehensive Income and Expenditure Statement.

The Council also participates in the Northern Ireland Civil Service Pension Scheme which is an unfunded multi-employer defined benefit scheme. The Council is unable to identify its share of the underlying assets and liabilities.

### Capital Expenditure

The Council incurred gross expenditure of £7.034m (£0.8m excluding expenditure on work in progress projects) for capital purposes during the year. This is summarised as follows:-

1 Vehicles, fixtures and fittings, Plant and equipment	£793,253
2 Additions to Property, Plant & equipment under construction	£6,232,036

The most significant spends on the capital programme in 15-16 were Enniskillen Castle development £2.6m, Enniskillen Castle basin walkway £846k, vehicles and equipment £793k, development of MUGA's £200k, extensions and improvements to works depots £618k, purchase of lands at Glassmullagh and Erne Hospital Site £761k, completion of Oasis project £317k and Omagh bowling green pavilion £174k.

Details of the financing of capital expenditure for the year are shown in note 12.

The total outstanding on loans at 31 March 2016 was £11.47m. The cost of servicing loans during the financial year was £1.742m. The Council has also acquired assets on hire purchase. The cost of servicing the Council's hire purchase agreements during the year was £261k.

### Capital Programme 2016/17

In February 2016, the Council approved the estimates Income & Expenditure for 2016/17. The estimates include a Capital Programme for the Council of £10.1785m to be funded as follows:

Grants	£3,472,500
Loans	£3,242,500
Leases/Hire Purchase	£950,000
Revenue Financing	£853,500
Landfill Provision	£40,000
Reserves	£1,620,000

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

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

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

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

These accounts were approved by the Policy and Resources Committee on 14 September 2016.

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

Under Regulation 10(2) 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 of the Environment.

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 of the Environment 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**

Part 12, section 84 of the Local Government Act (NI) 2014 also places a general duty on councils to make arrangements to secure continuous improvement in the exercise of its functions.

In discharging this overall responsibility, Fermanagh and Omagh 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.

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

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

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

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the 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 for the year ended 31 March 2016 and up to the date of approval of the financial statements.

### **The governance framework**

The key elements of the systems and processes that comprised Fermanagh and Omagh District Council's governance arrangements are detailed below:

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

Established following a significant consultation process, the Corporate Plan 2015-19 sets out the Council's vision, mission, values and strategic actions. The Corporate Plan is available to view on the council's website ([www.fermanaghomagh.com](http://www.fermanaghomagh.com)) and hard copies are available at key facilities. Electronic copies of the Corporate Plan were issued to all consultees. It is the Council's key strategic plan (pending the agreement of a Community Plan by 1 April 2017) and sets the framework for development of the annual Service Delivery and Improvement Plans. The Corporate Plan is used to communicate the corporate vision and objectives throughout the organisation. Communication channels included staff briefings, corporate communication bulletins, the use of the staff intranet and corporate induction briefings for new employees. A 'one page' corporate plan summary paper has also been made available to staff.

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

Fermanagh and Omagh District Council is committed to undertaking a significant review of its Corporate Plan once the new Community Plan for the district is in place in order to ensure strategic alignment. This review will commence in the latter quarter of the 2016/17 year.

In the interim period, elected members as part of the annual estimates process gave consideration to the Corporate vision and the commitments for the incoming year. Elected members received performance reports setting out progress towards objectives aimed at delivery of the Corporate Plan. An Annual Report, which will include the first year of delivery for 2015/16, is due for publication in September 2016.

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

During the latter part of the financial year 2015-16, the Council developed three corporate strategies, namely a Customer Service Strategy; Community Engagement and Involvement Strategy and a Communications Strategy, all of which went out to public consultation for equality impact assessment which closed on 27 May 2016. The Strategies which are closely aligned, place significant emphasis on citizen involvement in the Council's decision-making process, communicating with the public and on customer satisfaction with service delivery. Each Strategy will be complemented by an associated Action Plan setting out corporate objectives and actions focussed on the delivery of high quality services for customers to meet their needs. This will include undertaking Citizens Satisfaction Surveys and community consultations, where appropriate; setting corporate customer service standards to be achieved; two-way communications channels and ensuring that services are accessible services for all. Performance indicators will be established to measure the outcomes from the implementation of these strategies.

Currently, the Council has in place a Comments, Compliments and Complaints policy and procedure, through which customers can provide feedback on their satisfaction levels with the Council's service delivery. Customers can feedback through email, telephone, letter, face to face, via the website or facebook.

The Leisure Centres and Arts Centres have in place their own customer satisfaction/comments recording processes.

Financial performance is subject to internal and external audit and is assessed through regular budget meetings and is reported to Senior Management Team and Council in line with the Council's approved Financial Regulations. Service improvements are also identified through the annual departmental Service Delivery and Improvement Plans and the Council's annual Corporate Improvement Plan which aligns with the Corporate Plan 2015-19.

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

Fermanagh and Omagh District 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. The Council operates a committee system, although the Council remains ultimately responsible for the exercise of all functions. Meetings of the Council and committees are generally open to the public except where 'confidential' or 'exempt' matters, as defined by the Local Government Act (Northern Ireland) 2014, are discussed.

Within the Constitution, the scheme of delegation clearly defines the roles and responsibilities of the Chief Executive, Directors and Heads of Service.

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

The Council's Constitution includes the Northern Ireland Local Government Code of Conduct for Councillors, the Code of Conduct for Employees and the Employee/Councillor Working Relationship Protocol which sets out the working relationship between Councillors and Employees and the steps to be taken to deal with concerns and seek a resolution to difficulties that may arise.

In January 2015 the Council adopted the Code of Conduct for Local Government Employees as outlined in Circular LGRIF/09 – November 2014 and the associated Local Government Employee and Councillor Working Relationship Protocol. The Code builds on, and is in keeping with, the seven principles of public life articulated by the Nolan Committee on Standards in Public Life and the five further principles of conduct that have been adopted by the Northern Ireland Assembly.



The Code set out standards of behaviour expected of Council officers and also deals with the disclosure of information, political neutrality and potential conflicts of interest, appointments and other employment matters, outside commitments, personal interests and equality issues. The Code also emphasises the importance of separation of roles during procurement and the use of financial resources and specifically addresses fraud and corruption, hospitality and gifts, sponsorship and whistleblowing.

A range of employee awareness training has taken place, including the following:

- Code of Conduct Awareness Training – January 2015 – June 2015 – 285 participants;
- Induction programme for employees who transferred to Fermanagh & Omagh District Council on 1 April 2015 – which includes information on the Code of Conduct – May 2015 – 313 participants;
- Standing Orders, Planning Protocol and Code of Conduct Awareness Training – Nov 2015 – 24 participants; and
- Corporate Induction Programme for new appointees since 1 April 2015 – which includes information on the Code of Conduct – January and April 2016 – 42 participants.

The Code of Conduct for Employees was issued to all employees in March 2015 and is included in the employee induction pack as well as being displayed on the Employee Intranet.

Members attended mandatory training on the Code of Conduct for Councillors, Standing Orders and the Planning Protocol on 10 November 2015, delivered by the Council's Lead Legal Services Officer and further training was provided for Members by Dr Tom Frawley CBE, on 11 November 2015, on the Guidance provided for Councillors from the NI Commissioner for Complaints relating to the NI Local Government Code of Conduct for Councillors.

Behaviour of Members at Council meetings is regulated through the Council's Standing Orders. The Lead Legal Services Officer provides advice and guidance to Members and Officers on the implementation of the Code of Conduct, Standing Orders and Planning Protocol when required, and he attends the monthly Planning Committee meetings and, when required, the Council meetings and other Committee meetings in an advisory capacity. The Council also maintains Registers of Interests which have been completed by all Members and senior Council Officers in accordance with best practice and these are kept under regular review.

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

Fermanagh and Omagh District Council's Constitution, which was approved in April 2015, includes Financial Regulations, Standing Orders and the Scheme of Delegation. At that time, it was agreed that the Shadow Council's Standing Orders should be adopted by the Council until such times as the Department introduced the Standing Order Regulations. These Regulations have still not been introduced.

Any changes to The Constitution or Planning Protocol are approved by the Council. On a monthly basis, any changes agreed by the Council are applied to the copies displayed on the Council website and to the master copy retained within the Council's Democratic and Customer Services' function where a change register is maintained. Members are provided with an updated hard copy on an annual basis.

The Financial Regulations set out the overarching financial responsibilities of the Council and its staff and provides the framework within which the Council's financial affairs are managed. The Financial Regulations are supported by a detailed Accounting Manual which covers all operational areas within the Finance section.

Departmental Risk Registers were developed and reviewed by Departmental Risk Management Teams. In the 1st year of operation they have been reviewed by SMT.

The Corporate Risk register was developed and reviewed by SMT and that register was considered by the Audit Panel whose minutes are reported through the Policy & Resources Committee to the Council.

As part of the Assurance Framework, Directors and Heads of Service were required to assess the adequacy of the risk management regime within their Directorates and to provide assurance statements.

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

Fermanagh and Omagh District Council has established an Audit Panel to support the Chief Executive in his responsibilities for issues of governance, risk management and control and associated assurance.

The purpose of an Audit Panel is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

The Audit Panel has 5 members with cross-party representation, appointed for the term of the Council and two non-voting independent members, an external qualified accountant with experience of Local Government Finance and Audit and an externally recruited independent member.

The Audit Panel meets four times a year and the Chair of the Audit Panel may convene additional meetings as they deem necessary. Audit Panel meetings will normally be attended by the Chief Executive, the Director of Corporate Services & Governance, the Head of Finance, the Internal Auditor and a representative of External Audit. The Audit Panel may ask any other officials of the Council to attend to assist it with its discussions on any particular matter.

The Audit Panel reports formally to the Council's Policy and Resources Committee.

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

The Council complied with the Local Government Finance Act (NI) 2011, the Local Government (Capital Finance and Accounting) Regulations (NI) 2011 and the supporting codes - the Prudential Code and the Treasury Management Code. The Chief Executive is, for the purpose of Section 1 of the Local Government Finance Act (Northern Ireland) 2011, the Chief Financial Officer of Fermanagh & Omagh District Council and is charged with ensuring the lawfulness and financial prudence of decision-making, providing advice and guidance and ensuring that expenditure was lawful. The Council ensured that professional advice on matters that had legal or financial implications was available and properly considered with the legal advisors in attendance at meetings (including all planning meetings), if deemed necessary.

Each Director/Head of Service is responsible for ensuring compliance with relevant legislation, regulations, internal policies and procedures within their service area, and provides an assurance statement to the Chief Executive in this regard. The Council Chief Executive has ultimate responsibility for ensuring compliance within the Council.

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

Fermanagh & Omagh District Council has a Fraud and Corruption Policy and a Whistleblowing Policy both of which were approved by the Council in March 2015. Both have been circulated to employees.

The Council is committed to carrying out business fairly, honestly and openly and has a zero tolerance towards bribery. The Council expects full compliance with the requirements of the Bribery Act 2010 from Councillors, Employees, Agents, Partners, Suppliers and Groups or Individuals applying for, or in receipt of, grant aid. It is committed to developing, implementing and maintaining effective procedures and controls to prevent any occurrence of fraud and corruption.

The aim of the Whistleblowing arrangements is to act as a deterrent to malpractice, encourage openness, promote transparency and to underpin the Council's approach to risk management. There are four options available within the policy for raising a concern.

The Council's Fraud and Corruption Policy and Whistleblowing Policy are provided to all new employees as part of their induction process.

Fermanagh and Omagh District Council is committed to dealing with all complaints fairly and impartially. The Complaints procedure is available in electronic format via the Council website, or is available in hard copy on request.

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

The Council approved a new employee Learning and Development Policy in May 2016. The policy sets out the Council's commitment to the development and training of employees and outlines the range of support available to employees to support the delivery of the Council's aims and objectives as outlined in the Corporate Plan.

The Learning and Development policy is intrinsically linked to the Council's performance management cycle and learning and development needs are identified at the performance appraisal stage.

The Council has a draft learning and development plan and this will be finalised upon completion of the 2016/17 performance appraisals.

During induction Members are informed of the mandatory training they are required to undertake in order to fulfil their role as Councillors. This includes the Code of Conduct for Councillors, Equality training and use of MinutePad for accessing documentation for Council and Committee meetings. Additionally, Members are informed of other training they can avail of, such as Presentation Skills, Chairing of Meetings etc which Members can voluntarily undertake, or if they have any specific individual training needs they wish to address these are noted and arranged through the Council's Democratic Services' function.

Members also attend a significant number of Informal Meetings with other statutory, voluntary and community organisations which helps to inform Members of regional and/or local issues coupled with best practice visits as required.

Members are nominated to attend a range of conferences and seminars which all add to their learning and development and enhance their ability to more effectively undertake their role as Councillors.

It is proposed in the forthcoming year to undertake more structured assessment of Members' Learning and Development Needs both from a corporate and individual perspective. Members are currently giving consideration to participating in the Elected Members Development Charter.

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

The Council consults with various bodies and with individual citizens in relation to strategic and policy development matters. Provisions are in place for communication and consultation materials to be made available in various formats, including electronically or in an alternative language. Through the Access to Information Procedure, the Council aims to ensure that it is open and accessible, except where it is specifically necessary to withhold information in accordance with the exceptions or exemptions which are laid down in the legislation.

The Local Government Act (NI) 2014 provides the Council with a general power of competence, enabling it to do anything an individual can do (subject to restrictions), rather than only being able to do what they are directly empowered to do. Councils have been provided with the ability to act in their own interests and to develop innovative approaches to addressing issues in their district.

Councillors have availed of training relevant to this new power. During the 2015/16 year, the Council did not apply the general power of competence.

**Review of Effectiveness**

Fermanagh & Omagh District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the executive managers within Fermanagh & Omagh District Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's Annual Report and also by comments made by the external auditors

Internal Audit is responsible for monitoring the quality and effectiveness of systems of internal control. During 2015/16, Internal Audit assignments were carried out in accordance with the annual internal audit plan agreed by the Audit Panel. Any weaknesses identified in internal control procedures were considered by senior management and reported to the Audit Panel with actions agreed to strengthen the internal control environment. All internal audit reports included an overall assurance on the quality and effectiveness of internal control within the areas audited.

Internal Audit, on the basis of the systems reviewed and reported on during the year has considered that the overall control environment within the Council is of a good standard and should be categorised as Satisfactory.

The assurance framework requires Heads of Service and Directors to consider annually the adequacy of risk management arrangements, internal controls and wider governance issues within their service areas. It also provided information on the level of compliance with the various elements of the Council's Governance Framework. The Heads of Services and Directors also monitor, and keep under review, the operation of internal controls, within their area, and keep these under review and implement changes where deemed necessary.

The Audit Panel 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 to the extent that it exposes it to risk and weakens the control environment. The Audit Panel met four times during 2015/16.

## Role of Chief Financial Officer

The Chief Executive is, for the purpose of Section 1 of the Local Government Finance Act (Northern Ireland) 2011, the Chief Financial Officer of Fermanagh & Omagh District Council and is responsible for the proper administration of the Council's financial affairs. The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government: A Framework.

## Significant Governance Issues

The following significant Governance Issues have been identified as presenting significant risk to the Council:

- Ongoing legal cases – as the outcome is unknown at this point in time.
- Regional Property Certificates (RPCs) – potential reputational/financial risks exist for the Council in respect of RPCs issued during April to December 2015. A problem arose because planning decisions taken during the period from April to December 2015 were not reflected on the Property Certificates issued, as the Planning Portal had not been properly enabled to facilitate this during the transition period. As a result some of the RPCs may have been incomplete. The implications of this are still being assessed. FODC provides this service on behalf of all 11 councils.
- Waste disposal – due to the significant volatility in waste markets, which has resulted in a significant increase in current costs, there is a significant ongoing risk to the Council.

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 Brendan Hegarty  
Chief Financial Officer of Fermanagh and Omagh District Council

Date 21/9/16

  
Signed Councillor Sean Clarke  
On behalf of the Committee of Policy and Resources Committee of Fermanagh and Omagh District Council.

Date 21/9/16

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

### **REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2016**

#### **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.

Following a review of allowances, carried out by an independent Councillors' Allowances Remuneration Panel, which was appointed in May 2013, the Minister of the Environment advised the Northern Ireland Assembly in a written statement of the new levels of allowances applicable for councillors from 1 April 2015.

Guidance and determinations on Councillors' Allowances applicable from 1 April 2015 were issued by the Department of the Environment on 24 February 2015 (Circulars LG 04/2015 and LG 05/2015 respectively). The determinations and rates have been updated in LG 29/2015 due to the increase in Dependants' Carer's Allowance from 1 October 2015. Details of the allowances paid to individual councillors are published on council websites.

Following local elections on 22 May 2014, 462 councillors were elected to the 11 new councils for a four year term. Fermanagh and Omagh District Council had 40 councillors in 2015/16.

##### **SENIOR EMPLOYEES**

The remuneration of senior employees employed by the Council is determined by the Council in line with that determined by the Joint Negotiation Committees for Chief Executives and Chief Officers of Local Authorities. Senior staff are those staff who are members of the Executive Management Team/Senior Management Team.

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

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

## ALLOWANCES PAID TO COUNCILLORS

The total amount paid to Councillors by way of allowances in 2015/16, under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012 was:

Table 1: Total Allowances paid to councillors in 2015/16

Allowance	Total Allowances £	Number of Councillors receiving Allowance
Basic Allowance	567,998.40	40
Special Responsibility Allowance	24,840.00	14
Chairperson Allowance	10,000.00	1
Deputy Chairperson Allowance	5,000.00	1
Mileage Allowance	75,338.00	0
Other Travel Allowance	-	0
Public Transport	-	0
Subsistence	1,090.00	0
Courses/ Conferences Visits	6,288.00	0
Dependents' Carers Allowance	-	0
<b>TOTAL ALLOWANCES</b>	<b>690,554.40</b>	<b>0</b>

Details of the allowances paid to individual councillors in 2015/16 are published on the council website at [www.fermanaghomagh.com/your-council/councillors-expenses](http://www.fermanaghomagh.com/your-council/councillors-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 in 2015/16:

Officers	2015/16			
	Salary (Full year equivalent in brackets where applicable) £	Bonus Payments £	Benefits in kind (to nearest £100) £	Total £
Brendan Hegarty (Chief Executive)	108,000	0	0	108,000
Robert Gibson (Director of Community, Health & Leisure)	78,000	0	0	78,000
Joan McCaffrey (Director of Corporate Services & Governance)	78,000	0	0	78,000
Alison McCullagh (Director of Regeneration & Planning)	78,000	0	0	78,000
Kevin O'Gara (Director of Environment & Place)	78,000	0	0	78,000

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

The banded remuneration of the highest paid member of the Executive Management Team/Senior Management Team in the financial year 2015/16 was £100k - £110k. This was 5 times the median remuneration of the workforce, which was £20,252.

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

	2015/16
Median Total Remuneration	20,000
Ratio	5:1

In 2015/16, no employee 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 2015/16 relate to performance in 2015/16.

#### 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 during 2015/16, 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 2015/16

Severance Package Cost Band	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		4	4	25,181
£20,001 - £40,000		1	1	36,942
£40,001 - £60,000		4	4	203,518
£60,001 - £80,000		4	4	281,567
£80,001 - £100,000		1	1	87,898
£100,001 - £150,000		5	5	619,823
£150,001 - £200,000		2	2	340,943
<b>Total</b>	0	21	21	1,595,872

The Council was reimbursed £331k from other Councils in relation to Severance Packages leaving the net Cost to the Council at £1.265m

## 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 of the Environment in April each year in accordance with the increase applied to a pension in payment. The bands, effective from 1 April 2015, were as follows:

**Table 5: Employee Contribution Rates**

Band	Range	Employee Contribution Rate
1	£0 - £14,000	5.50%
2	£14,001 - £21,300	5.80%
3	£21,301 - £35,600	6.50%
4	£35,601 - £43,000	6.80%
5	£43,001 - £85,000	8.50%
6	More than £85,000	10.50%

Employers' contribution rates are determined by the fund's actuary every three years at the triennial valuation. The 2013 triennial valuation was undertaken as at 31 March 2013 and an employer contribution rate of 20% for those employers whose participation in the Scheme is deemed to be indefinite has been set for the following three years, effective from 1 April 2014:

**Table 6: Employer Contribution Rates**

Year	Employer Contribution Rate
1 April 2014 - 31 March 2015	20%
1 April 2015 - 31 March 2016	20%
1 April 2016 - 31 March 2017	20%

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 2015/16 was £110,445.



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 2015/16**

<b>Officers</b>	<b>Accrued Pension at pension age as at 31/3/16  £'000</b>	<b>Real increase in pension and related lump sum at pension age £'000</b>	<b>CETV at 31/3/16  £'000</b>	<b>CETV at 31/3/15  £'000</b>	<b>Real increase in CETV  £'000</b>
Brendan Hegarty	38,598	13,031	643,993	548,063	85,789
Joan McCaffrey	35,856	19,891	724,904	565,134	144,557
Kevin O'Gara	30,576	16,119	672,567	542,043	133,699
Alison McCullagh	19,368	5,807	245,166	200,298	33,355
Robert Gibson	26,253	2,691	565,090	549,895	17,374

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

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

**The real increase in the value of the CETV**

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

**Certificate of the Chief Financial Officer (Designated Officer)**

I certify that:

- (a) the Statement of Accounts for the year ended 31st March 2016 on pages 21 to 85 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 25 to 45.
- (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 2016.

  
Chief Financial Officer

Date 21/9/16.

**Council Approval of Statement of Accounts**

The accounts were approved by the Policy and Resources Committee of Fermanagh and Omagh District Council on 14 September 2016.

  
Chairman of the Policy and Resources Committee of Fermanagh and Omagh District

Date 21/9/16

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FERMANAGH AND OMAGH DISTRICT COUNCIL**

I have audited the financial statements of Fermanagh and Omagh District Council for the year ended 31 March 2016 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

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

### **Respective responsibilities of the Chief Financial Officer and the independent auditor**

As explained more fully in the Statement of Council's and Chief Financial Officer's Responsibilities, the Chief Financial Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year. My responsibility is to audit the financial statements in accordance with the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Fermanagh and Omagh District Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Fermanagh and Omagh District Council; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Statement of Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### **Opinion on financial statements**

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 2015-16, of the financial position of Fermanagh and Omagh District Council as at 31 March 2016 and its income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities (formerly Department of the Environment) directions issued thereunder.

### **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities directions made under the Local Government (Accounts

and Audit) Regulations (Northern Ireland) 2015; and

- the information given in the Narrative Report for the financial year ended 31 March 2016 is consistent with the financial statements.

**Matters on which I report by exception**

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

- in my opinion:
  - the Annual Governance Statement:
    - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015-16 ;
    - 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.

**Certificate**

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



**Louise Mason**  
**Local Government Auditor**  
**Northern Ireland Audit Office**  
**106 University Street**  
**Belfast**  
**BT7 1EU**

30 September 2016

Fermanagh and Omagh District Council

Movement in Reserves Statement for the year ended 31 March 2016

	General Fund Summary £	Other Fund Balances and Reserves £	Capital Receipts Reserve £	Total Usable Reserves £	Total Unusable Reserves £	Total Council Reserves £
<b>Balance as at 1 April 2014</b>	-	-	-	-	-	-
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	87,935	-	-	87,935	-	87,935
Other Comprehensive Income and Expenditure	-	-	-	-	-	-
<b>Total Comprehensive Income and Expenditure</b>	<b>87,935</b>	<b>-</b>	<b>-</b>	<b>87,935</b>	<b>-</b>	<b>87,935</b>
Adjustments between accounting basis & funding under regulations	42,763	-	-	42,763	(42,763)	-
<b>Net increase before transfers to Statutory and Other</b>	<b>130,698</b>	<b>-</b>	<b>-</b>	<b>130,698</b>	<b>(42,763)</b>	<b>87,935</b>
Transfers to / from Statutory and Other Reserves	-	-	-	-	-	-
<b>Increase/ Decrease in year</b>	<b>130,698</b>	<b>-</b>	<b>-</b>	<b>130,698</b>	<b>(42,763)</b>	<b>87,935</b>
<b>Balance as at 31 March 2015</b>	<b>130,698</b>	<b>-</b>	<b>-</b>	<b>130,698</b>	<b>(42,763)</b>	<b>87,935</b>
<b>Local Government Reform Transfer by absorption</b>	<b>2,736,376</b>	<b>6,278,342</b>	<b>132,115</b>	<b>9,146,833</b>	<b>84,244,196</b>	<b>93,391,029</b>
<b>Balances at 1 April 2015</b>						
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	4,092,741	-	-	4,092,741	-	4,092,741
Other Comprehensive Income and Expenditure	-	-	-	-	9,953,585	9,953,585
<b>Total Comprehensive Income and Expenditure</b>	<b>6,829,117</b>	<b>6,278,342</b>	<b>132,115</b>	<b>13,239,574</b>	<b>94,197,781</b>	<b>107,437,355</b>
Adjustments between accounting basis & funding under regulations	(1,182,986)	(2,084,488)	33,425	(3,234,049)	3,234,049	-
<b>Net increase before transfers to Statutory and Other</b>	<b>5,646,131</b>	<b>4,193,854</b>	<b>165,540</b>	<b>10,005,525</b>	<b>97,431,830</b>	<b>107,437,355</b>
Transfers to / from Statutory and Other Reserves	(2,811,252)	2,811,252	-	-	-	-
<b>Increase in year</b>	<b>2,834,879</b>	<b>7,005,106</b>	<b>165,540</b>	<b>10,005,525</b>	<b>97,431,830</b>	<b>107,437,355</b>
<b>Balance as at 31 March 2016</b>	<b>2,965,577</b>	<b>7,005,106</b>	<b>165,540</b>	<b>10,136,223</b>	<b>97,389,067</b>	<b>107,525,290</b>

Fermanagh and Omagh District  
Comprehensive Income and Expenditure Statement for the year ended 31 March 2016

	Notes	2015/16			2014/15		
		Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
<b>Service Expenditure</b>							
Leisure and Recreational Services	2	13,724,654	(3,690,198)	10,034,456	-	-	-
Environmental Services	2	16,580,735	(2,329,988)	14,250,747	-	-	-
Planning and Development Services	2	6,923,242	(3,158,239)	3,765,003	-	-	-
Highways and Transport Services	2	473,533	(909,334)	(435,801)	-	-	-
DRM and Corporate Management	2	2,663,685	(9,881)	2,653,804	1,709,600	(1,797,535)	(87,935)
Other Services	2	2,093,547	(564,158)	1,529,389	-	-	-
<b>Cost of Services on Continuing Operations</b>		<b>42,459,396</b>	<b>(10,661,798)</b>	<b>31,797,598</b>	<b>1,709,600</b>	<b>(1,797,535)</b>	<b>(87,935)</b>
Other Operating Expenditure	7	35,834	(41,425)	(5,591)	-	-	-
Financing and Investment Income and Expenditure	8	1,192,385	(616,552)	575,833	-	-	-
Share of Operating Results of associates and joint ventures	10a	484,888	(337,095)	147,793			
<b>Net Operating Expenditure</b>		<b>44,172,503</b>	<b>(11,656,870)</b>	<b>32,515,633</b>	<b>1,709,600</b>	<b>(1,797,535)</b>	<b>(87,935)</b>
Taxation and Non-Specific Grant Income	9	-	(36,608,374)	(36,608,374)	-	-	-
<b>Surplus/(Deficit) on the Provision of Services</b>		<b>44,172,503</b>	<b>(48,265,244)</b>	<b>4,092,741</b>	<b>1,709,600</b>	<b>(1,797,535)</b>	<b>87,935</b>
Surplus/(Deficit) on revaluation of non-current assets	11			4,945,781			-
Remeasurements of the Net Defined Benefit Liability (Asset)	20			4,881,346			-
Share of Other Comprehensive Expenditure and Income of Associates and Joint Ventures	10a			126,458			
<b>Other Comprehensive Income and Expenditure</b>				<b>9,953,585</b>			<b>-</b>
<b>Total Comprehensive Income and Expenditure</b>				<b>14,046,326</b>			<b>87,935</b>

Fermanagh and Omagh District Council  
**Balance Sheet as at 31 March 2016**

	Note	31st March 2016	31st March 2015
		£	£
Property, Plant and Equipment	11	121,425,615	-
Investment in Associates and Joint Ventures	10a	2,705,541	-
Long Term Debtors	15	565,924	-
<b>LONG TERM ASSETS</b>		<b>124,697,080</b>	<b>-</b>
Inventories	14	401,954	-
Short Term Debtors	15	4,829,158	1,317,003
Cash and Cash Equivalents	22b	13,779,760	-
Assets Held for Sale	11f	35,249	-
<b>CURRENT ASSETS</b>		<b>19,046,121</b>	<b>1,317,003</b>
Bank Overdraft	22b	175	-
Short Term Borrowing	16a	1,433,294	-
Short Term Creditors	17a	5,920,101	1,229,068
Provisions	18	50,000	-
<b>CURRENT LIABILITIES</b>		<b>7,403,570</b>	<b>1,229,068</b>
Provisions	18	3,642,502	-
Long Term Borrowing	16b	10,295,301	-
Other Long Term Liabilities	5c,20c	14,876,538	-
<b>LONG TERM LIABILITIES</b>		<b>28,814,341</b>	<b>-</b>
<b>NET ASSETS</b>		<b>107,525,290</b>	<b>87,935</b>
<b>USABLE RESERVES</b>			
Capital Receipts Reserve	23a	165,540	-
Capital Grants Unapplied Account	23b	419,777	-
Capital Fund	23c	1,139,475	-
Renewal and Repairs Fund	23d	1,940,789	-
Other Balances and Reserves	23e	3,505,065	-
General Fund	23f	2,965,577	130,698
		<b>10,136,223</b>	<b>130,698</b>
<b>UNUSABLE RESERVES</b>			
Capital Adjustment Account	24a	90,313,816	-
Revaluation Reserve	24c	21,276,080	-
Pensions Reserve	24e	(13,970,000)	-
Capital Receipts Deferred Account	24f	517,803	-
Accumulated Absences Account	24g	(685,084)	(42,763)
Provisions Discount Rate Reserve	24h	(63,548)	-
		<b>97,389,067</b>	<b>(42,763)</b>
<b>NET WORTH</b>		<b>107,525,290</b>	<b>87,935</b>

Fermanagh and Omagh District Council  
**Cash Flow Statement at 31 March 2016**

	Note	2015/16	2014/15
		£	£
Net Deficit on the provision of services		4,092,741	87,935
Adjustment for non-cash movements	22	9,489,295	-
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	22	(3,625,798)	-
Cash and cash equivalents at the beginning of the reporting period	22	8,268,669	-
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>13,779,585</b>	<b>8,268,669</b>



**Fermanagh and Omagh District Council  
Notes to the Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2016**

**1 Accounting Policies**

**a General Principles**

The Statement of Accounts summarises the Council's transactions for the 2015/16 financial year and its position at the year-end of 31 March 2016. The Council is required to prepare an annual Statement of Accounts in a form directed by the Department of the Environment 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 2015/16 and the Service Reporting Code of Practice 2015/16 (SeRCOP), 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 2015/16 also requires disclosure in respect of:

**Summary of Significant Accounting Policies**

**i) Accruals of Income and Expenditure**

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

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

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

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

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

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

ii) **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.

iii) **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.

iv) **Employee Benefits**

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

**Termination benefits**

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

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

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

**Post Employment Benefits**

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

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

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

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

Liabilities are discounted to their value at current prices, using a discount rate based on the rate of return on a high quality corporate bond of equivalent term and currency to the Council's Fund liabilities determined using the constituents of the iBoxx index of AA rate corporate bonds.

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 seven components:

### **Within the Cost of Services**

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

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

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

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

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

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

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

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

Any change in the Effect of the Asset Ceiling – (where applicable) excluding amounts included in the Net Interest on the Net Defined Benefit Liability (Asset).

#### Within the Movement in Reserves Statement Appropriations

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

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

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

#### Discretionary Benefits

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

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

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

a. those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events

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

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

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

vi) **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.

vii) **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 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.

viii) **Financial Instruments**

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

Financial Liabilities

Amortised Cost

Financial Assets

Loans and Receivables

Available for Sale

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

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

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

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

## **Financial Assets**

Financial assets are classified into two types:

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

## **Loans and Receivables**

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

When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Other Fund Balances and Reserves Account in the Movement in Reserves Statement.

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

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

### **Available-for-Sale Assets**

Available-for-sale assets are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where the asset has fixed or determinable payments, 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 amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g., dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following principles:

- a. instruments with quoted market prices – the market price
- b. other instruments with fixed and determinable payments – discounted cash flow analysis
- c. equity shares with no quoted market prices – independent appraisal of company valuations.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

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

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

### ix) **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.

### x) **Government Grants and Contributions**

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

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

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



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

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

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

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

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

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

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £5k) the Capital Receipts Reserve.

xi) **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 value of works and services received under the contract during the financial year.

xii) **Investment Property**

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

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

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

xiii) **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.

xiv) **Leases**

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

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

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

### **The Council as Lessee - Finance Lease**

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

Lease payments are apportioned between:

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

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

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

### ***Operating Leases:***

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

### **The Council as Lessor - Finance 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 asset (long term debtor) together with any premiums received, and
- b. finance income (credited to the Financing and Investment income and Expenditure line in the Comprehensive Income and Expenditure Statement).

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

The written-off value of disposals is not a charge against the district rates tax, as the cost of property, plant and equipment 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.

#### xv) **Disposals and Non-Current Assets Held for Sale**

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

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

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 property, plant and equipment 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.

xvi) **Overheads and Support Services**

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2015/16 (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- a. DRM and corporate management – costs relating to the Council’s status as a multi-functional, democratic organisation.
- b. Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and any depreciation and impairment losses chargeable on non-operational properties.

These two cost categories are defined in SeRCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement , as part of Net Expenditure on Continuing Services.

xvii) **Property, Plant and Equipment**

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

**Recognition**

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

**Measurement**

Assets are initially measured at cost, comprising:

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

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

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

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

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

- infrastructure, community assets and assets under construction – depreciated historical cost
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of current 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), with any excess charged to the service line in the Comprehensive Income and Expenditure Statement.
- b. where there is no balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

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

## **Depreciation**

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

Depreciation is calculated on the following bases:

- Plant and equipment (excluding IT equipment and Carpark plant and equipment) are depreciated on historic cost using a standard cost of 5 years. IT equipment is depreciated using a standard life of 3 years. Carpark plant and equipment is depreciated using a standard life of 15 years. – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer
- Infrastructure assets are depreciated on a straight line allocation over a range of 10 to 20 years depending on the type of the asset.
- Buildings, installations, and fittings are depreciated on their historic value over the estimated remaining life of the asset as advised by the valuer. Depending on the type of building, installation or fitting the maximum useful life will be in the range of 15 to 50 years.



## **Componentisation**

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

Componentisation is only applicable to larger value land and buildings or equipment assets.

## **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.

## **Joint Ventures**

A joint venture is one whereby parties have joint control of an arrangement and have rights to the net assets of the arrangement.

The Council's interest in Tullyvar Landfill is accounted for as a joint venture. The Council's share of the income and expenditure of Tullyvar are included within the CIES and the share of net assets are included within long term assets with the reserves appropriately accounted for between the Revaluation Reserve and a specific Tullyvar Reserve included within Other Balances and Reserves.

## xviii) **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 Council in pursuit of our overall objectives in relation to the maintenance of heritage.

The majority of the Council's Heritage Assets are held in the Fermanagh County Museum ('the Museum'). The Museum has two collections of heritage assets which are held in support of the primary objective of the Museum, i.e. increasing the knowledge, understanding and appreciation of the Council's history and local area. The Council also holds several pieces of public art. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below. The accounting policies in relation to heritage assets that are deemed to include elements of intangible heritage assets are also presented below. The Council's collections of heritage assets are accounted for as follows:-

Local History & Folk Life - The collection of local history and folk life includes important artefacts from the history of the local area. These items are reported in the Balance Sheet at insurance valuation which is based on market values. The collection of local history and folk life artefacts are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation. The collection is relatively static and acquisitions and donations are rare. Where they do occur acquisitions are initially recognised at cost and donations are recognised at valuation ascertained by the museum's curators in accordance with the Council's policy on valuations. Fine & Decorative Arts Collection - the fine and decorative arts collection includes paintings (both oil and watercolour) and sketches and is reported in the Balance Sheet at market value. Valuations are completed periodically when there has been changes in the market for similar items or when the museum curator believes valuation is necessary. The assets within the fine and decorative arts collection are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation. Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at valuation with valuations provided by the external valuers and with reference to appropriate commercial markets for the paintings using the most relevant and recent information from sales at auctions. Art Sculptures - these are carried at historical cost and are not depreciated. Heritage Assets - General - 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 policies on impairment – see note in this summary of significant accounting policies. The Museum will occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

xix) **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.

Additional policy detail required where a Council has made provision for onerous contracts or restructuring costs and where discounting of the amount to settle the obligation is required.

xx) **Reserves**

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

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

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

Charges to revenue for non-current assets e.g. services, support services and trading accounts are debited with the following amounts to record the cost of holding property, plant and equipment 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 property, plant and equipment attributable to the service.

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

xxii) **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.

xxiii) **Value Added Tax**

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

xxiv) **Fair Value Measurement**

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

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

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

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

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

b **Accounting Standards That Have Been Issued but Have Not Yet Been Adopted**

**Amendments to IAS 19 Employee Benefits (Defined Benefit Plans: Employee Contributions)**

In November 2013 the IASB issued its amendments to IAS 19. CIPFA/LASAAC considered the options in the standard for accounting for employee contributions and concluded that if the amount of the contributions is independent of the years of service a council is permitted to recognise such contributions as a reduction to service cost in the period in which the related service is rendered. This is consistent with the approach currently adopted and therefore there will not be any significant change in accounting practice for the council.

**Annual Improvements to IFRS 2010 - 2012 Cycle and 2012 - 2014 Cycle**

The IASB carries out cyclical work to identify and implement improvements in IFRS's. The 2010 - 2012 cycle was issued in November 2013 and the 2012 - 2014 cycle was issued in December 2013. These amendments have not yet been endorsed by the European Union and this endorsement would be required to be adopted into the Code. There are no significant issues affecting the council emanating from the annual improvements work.

**Amendment to IFRS 11 Joint Arrangements (Accounting for Acquisitions of Interests in Joint Operations)**

When the acquisition of an interest in a joint operation in which the joint operation constitutes a business, as defined by IFRS 3, it shall apply, all of the principles on business combinations accounting in IFRS 3 and disclose the information required. This is applicable to the acquisition of both the initial interest and additional interests in a joint operation in which the activity of the joint operation constitutes a business. The exception of the principles that conflict with guidance in IFRS 11.

**Amendment to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets (Clarification of Acceptable Methods of Depreciation and Amortisation)**

These changes apply to local authorities though CIPFA/LASAAC considers that local authorities do not use the depreciation and amortisation methods prohibited by the amendments to the standard. This amendment clarifies the treatment as it is the IASB's view that the restatement of the accumulated depreciation is not always proportionate to the change in the gross carrying amount. The amendment sets out that the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

**Amendment to IAS 1 Presentation of Financial Statements (Disclosure Initiative)**

Under the IASB Disclosure Initiative, in December 2014 changes were published on IAS 1 Financial Statements. The presentation of financial statements has amended the reporting requirements for the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement. Improvements in the presentation of the financial statements will take effect in 2016/17 Code.

Fermanagh and Omagh District Council  
Notes to the Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2016

2 Segmental Reporting  
a Segmental Reporting Analysis

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is specified by the Service Reporting Code of Practice. The segmental reporting notes within the financial statements are based on the summary first page of the General Fund – Service Income and Expenditure Analysis in the Department of Environment's Accounts Direction.

The General Fund – Service Income and Expenditure Analysis as presented to the Department of Environment is as follows:

Services	2015/16			2014/15		
	Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Culture and Heritage	2,357,590	(332,549)	2,025,041	-	-	-
Recreation and Sport	8,515,090	(2,458,705)	6,056,385	-	-	-
Tourism	1,848,159	(645,842)	1,202,317	-	-	-
Community Services	1,003,815	(253,102)	750,713	-	-	-
<b>Leisure and Recreational Services</b>	<b>13,724,654</b>	<b>(3,690,198)</b>	<b>10,034,456</b>	-	-	-
Cemetery, Cremation & Mortuary	385,117	(36,685)	348,432	-	-	-
Environmental Health	3,431,839	(1,623,341)	1,808,498	-	-	-
Flood Defence and Land Drainage	-	-	-	-	-	-
Public Conveniences	591,478	(165)	591,313	-	-	-
Licensing	108,737	(71,043)	37,694	-	-	-
Other Cleaning	1,786,916	(6,809)	1,780,107	-	-	-
Waste Collection	4,480,167	(249,008)	4,231,159	-	-	-
Waste Disposal	4,359,682	(189,266)	4,170,416	-	-	-
Other Community Assets	974,830	(34,774)	940,056	-	-	-
Minor Works	461,969	(118,897)	343,072	-	-	-
<b>Environmental Services</b>	<b>16,580,735</b>	<b>(2,329,988)</b>	<b>14,250,747</b>	-	-	-
Community Planning	197,555	(1,000)	196,555	-	-	-
Economic Development	2,272,596	(764,261)	1,508,335	-	-	-
EU Rural Development	280,155	(212,444)	67,711	-	-	-
Urban Regeneration and Community Development	1,052,276	(257,031)	795,245	-	-	-
Planning Policy	643,279	(1,894)	641,385	-	-	-
Development Control	1,138,274	(1,063,927)	74,347	-	-	-
Building Control	1,215,660	(854,796)	360,864	-	-	-
Environmental initiatives	123,447	(2,886)	120,561	-	-	-
<b>Planning and Development Services</b>	<b>6,923,242</b>	<b>(3,158,239)</b>	<b>3,765,003</b>	-	-	-
Off-street Parking Services	473,533	(909,334)	(435,801)	-	-	-
<b>Highways and Transport Services</b>	<b>473,533</b>	<b>(909,334)</b>	<b>(435,801)</b>	-	-	-
Democratic Representation and Management	1,412,439	(9,821)	1,402,618	-	-	-
Corporate Management	1,251,246	(60)	1,251,186	-	-	-
<b>DRM and Corporate Management</b>	<b>2,663,685</b>	<b>(9,881)</b>	<b>2,653,804</b>	-	-	-
Trading Services	-	-	-	-	-	-
Non Distributed Costs	1,273,738	-	1,273,738	-	-	-
Central Services to the Public	819,809	(564,158)	255,651	-	-	-
<b>Other Services</b>	<b>2,093,547</b>	<b>(564,158)</b>	<b>1,529,389</b>	-	-	-
<b>CONTINUING OPERATIONS</b>	<b>42,459,396</b>	<b>(10,661,798)</b>	<b>31,797,598</b>	-	-	-

**b Reconciliation to Net Cost of Services in the Comprehensive Income and Expenditure Statement**

This reconciliation shows how the figures in the analysis of portfolio income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement

	2015/16	2015/16	2014/15	2014/15
	£	£	£	£
<b>Net Cost of Services in Service Analysis</b>		31,797,598		-
<b>Items excluded from Service Analysis:</b>				
Add amounts not reported in Service Analysis but included in Net Cost of Services in the Comprehensive Income and Expenditure Statement	-		-	
Remove amounts reported in Service Analysis but not included in Net Cost of Services in the Comprehensive Income and Expenditure Statement	<u>-</u>		<u>-</u>	
		-		-
<b>Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement</b>		31,797,598		
<b>Items included in Net Operating Expenditure excluded from Service Analysis:</b>				
Other Operating Expenditure	(5,591)		-	
Financing and Investment Income and Expenditure	575,833		-	
Surplus or Deficit on Discontinued Operations	-		-	
		<b>570,242</b>		
<b>Net Operating Expenditure per the Comprehensive Income and Expenditure Statement</b>		32,367,840		-

### 3 Adjustment between an Accounting Basis and Funding Basis under Regulations

#### a Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:

	Notes	2015/16 £	2015/16 £	2014/15 £	2014/15 £
<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>					
Derecognition (other than disposal) of non-current assets	11	68,283		-	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	11	(2,013,437)		-	
Depreciation charged in the year on non-current assets	11	<u>5,810,310</u>	3,865,156	-	-
Net Revenue expenditure funded from capital under statute	11		-		-
Carrying amount of non current assets sold	7	35,834		-	
Proceeds from the sale of PP&E, investment property and intangible assets	23,24	<u>(41,425)</u>	(5,591)	-	-
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements			-		-
Net charges made for retirement benefits in accordance with IAS 19	20		4,790,000		-
Direct revenue financing of Capital Expenditure	12		(1,193,600)		-
Capital Grants and Donated Assets Receivable and Applied in year	9b		(3,184,673)		-
Capital Grants Receivable and Unapplied in year	9c		(399,700)		-
Adjustments in relation to Short-term compensated absences	17		131,684		42,763
Adjustments in relation to Lessor Arrangements			27,754		-
Landfill Regulations Reserve Adjustment			-		-
<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>					
Provisions Discount Rate Reserve Adjustment	24		(351,288)		-
Statutory Provision for the financing of Capital Investment	24		(1,371,124)		-
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	20		(3,491,605)		-
<b>Net transfers to / from Accumulated Absences -Adjustments in relation to Short-term compensated absences</b>			<b>(1,182,987)</b>		<b>42,763</b>

#### b Net transfers (to)/from statutory and other earmarked reserves:

	Notes	2015/16 £	2015/16 £	2014/15 £	2014/15 £
<b>Capital Fund</b>					
Interest		(3,016)		-	
From Capital		-		-	
Other	23	<u>(1,099,534)</u>	(1,102,550)	<u>-</u>	-
<b>Renewal and Repairs Fund</b>					
Interest		(7,527)		-	
Other	23	<u>(505,211)</u>	(512,738)	<u>-</u>	-
<b>Other Funds and earmarked reserves</b>					
Interest		(6,377)		-	
From Other funds		147,793		-	
Other	23	<u>(1,337,380)</u>	(1,195,964)	<u>-</u>	-
			<u>(2,811,252)</u>		-



**4 Cost of Services on Continuing Operations**

**a General Power of Competence**

**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.

	2015/16	2014/15
	£	£
External Audit Fees	31,000	6,000
	31,000	6,000

There were no other fees payable in respect of any other services provided by the appointed auditor over and above those described above (2014/15 £nil).

5 Operating and Finance Leases

Council as Lessor

a Finance Leases (Council as lessor)

The Council has leased out a number of properties within the District to further community, recreational and commercial activities. At the inception of the leases, the lease terms ranged from 99 to 999 years.

The present value of lease payments receivable under the finance lease arrangements is recognised as a receivable and included in both short and long term debtors. The difference between the gross amount receivable and the present value of the amounts receivable is recognised as unearned finance income.

Gross receivables from finance leases	2015/16	2014/15
	£	£
<b>Long Term Debtors</b>		
Finance leases- gross receivables	491,461	-
Less - Unearned finance income	-	-
Less - Unguaranteed residual value of property	-	-
<b>Net Present Value</b>	<b>491,461</b>	<b>-</b>
<b>Short Term Debtors</b>		
Finance leases- gross receivables	26,342	-
Less - Unearned finance income	-	-
<b>Gross receivables from finance leases</b>		
No later than 1 year	26,342	-
Later than 1 year and no later than 5 years	92,633	-
Later than 5 years	398,828	-
<b>Total gross receivables</b>	<b>517,803</b>	<b>-</b>
Less-Unearned future finance income on finance leases	-	-
Less-Unguaranteed residual value of property	-	-
<b>Net investment in finance leases</b>	<b>517,803</b>	<b>-</b>

The net investment in finance leases may be analysed as follows:

	2015/16	2014/15
	£	£
No later than 1 year	26,342	-
Later than 1 year and no later than 5 years	92,633	-
Later than 5 years	398,828	-
<b>Total gross receivables</b>	<b>517,803</b>	<b>-</b>

The unguaranteed residual values of the assets leased under finance leases at the end of the year are estimated at £nil.

The accumulated allowance for uncollectable minimum lease payments receivable is £nil

No contingent rents were recognised as receivable by the Council.

## b Operating Leases (Council as lessor)

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

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

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £401,220 (2014/15 £nil). No contingent rents were recognised.

The lease contracts may be cancelled and some may include an extension option. The lease terms are between 1 and 99 years. Future minimum lease income is set out below:

	2015/16		2014/15	
	Land and Buildings £	Investment Properties £	Land and Buildings £	Vehicles, Plant and Equipment £
<b>Minimum lease rentals receivable:</b>				
No later than 1 year	-	326,968	-	-
Later than 1 year and no later than 5 years	-	217,517	-	-
Later than 5 years	-	110,341	-	-
	-	654,826	-	-

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

	2015/16		2014/15	
	Land and Buildings £	Investment Properties £	Land and Buildings £	Vehicles, Plant and Equipment £
Cost	5,173,855	4,420,500	-	-
Accumulated depreciation and impairments at 1 April	(324,339)	-	-	-
Depreciation charge for the year	(176,798)	-	-	-
Impairments/Revaluations	(177,490)	(65,800)	-	-
	4,495,228	4,354,700	-	-

Council as Lessee

**c Finance Leases (Council as lessee)**

Some of the Council's vehicles are held under finance leases. The net carrying amount of the vehicles held under finance lease arrangements is £686,066. The assets are included under Vehicles, Plant & Equipment which form an integral part of property, plant and equipment (see Note 11g-leased assets). The rentals paid for vehicles held under finance leases totalled £242,291 (2014/15 £nil).

No contingent rentals were recognised as an expense in the Comprehensive Income and Expenditure Statement during the reporting period under review, and no future sub-lease income is expected to be received, as all assets are used exclusively by the council.

The lease agreements for the vehicles include fixed lease payments and a purchase option at the end of the respective lease terms. The agreements are non-cancellable but do not include any further restrictions.

Part of the Council's Townhall is held under a finance lease. The net carrying amount of the Townhall held under finance leases arrangements is £588,214 (2014/15 £nil). This asset is included under Operational Buildings which form an integral part of Property, Plant and Equipment.

Future minimum finance lease payments at the end of each reporting period under review are as follows:

	Within 1 year £	1 to 5 years £	After 5 years £	Total £
<b>2015/16</b>				
Finance leases payments	289,459	600,040	402,500	<b>1,291,999</b>
Less: finance charges	(32,084)	(64,393)	(31,609)	<b>(128,086)</b>
<b>Net present value</b>	<b>257,375</b>	<b>535,647</b>	<b>370,891</b>	<b>1,163,913</b>

Included in the Balance Sheet as:	2016 £	2015 £	2014 £
Current liabilities	257,375	-	-
Long term liabilities	906,538	-	-
<b>Total</b>	<b>1,163,913</b>	<b>-</b>	<b>-</b>

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

The Council has acquired its office photocopiers and printers by entering into operating leases with typical lives of 3 years.

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

	2015/16		2014/15	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Minimum lease payments	-	23,390	-	-
Contingent rentals	-	-	-	-
Less: Sublease payments receivable	-	-	-	-
<b>Total</b>	-	<b>23,390</b>	-	-

No sub-lease payments or contingent rent payments were made or received. No sublease income is expected as all assets held under operating lease agreements are used exclusively by the Council.

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

	2015/16		2014/15	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
<b>Minimum lease rentals payable:</b>				
No later than 1 year	-	28,024	-	-
Later than 1 year and no later than 5 years	-	54,615	-	-
Later than 5 years	-	-	-	-
<b>Total</b>	-	<b>82,639</b>	-	-

**6 Employee Costs and Member Allowances**

<b>a Staff Costs</b>	<b>2015/16</b>	<b>2014/15</b>
	£	£
Salaries and Wages	17,797,618	424,477
Employers NIC	955,822	41,811
Employers Superannuation	3,169,348	84,209
<b>Total staff costs</b>	<b>21,922,788</b>	<b>550,497</b>

In addition, agency costs during the year amounted to £278,505 (2014/15 £nil).

The Council's current contribution rate to NILGOSC scheme is 20%. At the last actuarial valuation, dated 31 March 2013, the Fund's assets as a whole were sufficient to meet 87.9% of the liabilities accrued up to that date.

Average Number of Employees - where FTE represents fulltime equivalent employees

<b>b Average Number of Employees</b>	<b>2015/16</b>	<b>2014/15</b>
	FTE	FTE
Leisure and Recreation Services	161	-
Environmental Services	302	-
Planning and Development Services	114	-
Highways and Transport Service	-	-
Other	98	10
<b>Total Number</b>	<b>675</b>	<b>10</b>

	<b>2015/16</b>	<b>2014/15</b>
	Actual Numbers	Actual
Full-time numbers employed	645	13
Part-time numbers employed	215	5
<b>Total Number</b>	<b>860</b>	<b>18</b>

<b>c Senior Employees' Remuneration</b>	<b>2015/16</b>	<b>2014/15</b>
£50,001 to £60,000	9	2
£60,001 to £70,000	-	-
£70,001 to £80,000	4	4
£80,001 to £90,000	-	-
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-
£110,001 to £120,000	-	-
<b>Total Number</b>	<b>14</b>	<b>7</b>

#### d Members' Allowances

During the year Members' allowances (paid under Part 3, section 31 to section 31 to 36 of the Local Government Act (NI) 2011), including employer's costs totalled £840,362 and are as follows:

	2015/16	2014/15
	£	£
Salaries	-	-
Basic allowance	567,998	313,492
Mayor's & Deputy Mayor's Allowance	15,000	24,000
Special Responsibility Allowances	24,840	11,250
Dependents' carers allowance	-	335
PCSP Attendance Allowance	5,340	-
Employer costs	144,247	74,738
Mileage	75,338	36,073
Conferences and Courses	6,288	-
Travel & Subsistence Costs	1,090	-
Miscellaneous Costs	221	800
Severance Payments	-	-
<b>Total</b>	<b>840,362</b>	<b>460,688</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 of the Environment is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31/03/2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DFP Superannuation and Other Allowances Resource Accounts as at 31 March 2016.

For 2015-16, employers' contributions of £277,635 were payable to the NICS pension arrangements at one of three rates in the range 20.8% to 26.3% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31/03/2012 was completed by the Actuary during 2014-15. This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2015. The contribution rates are set to meet the cost of the benefits accruing during 2015-16 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

**7 Other Operating Expenditure**

**a Surplus/Deficit on Non-Current Assets (excl Investment Properties)**

	2015/16	2014/15
	£	£
Proceeds from sale	(41,425)	-
Carrying amount of non-current assets sold (excl Investment Properties)	35,834	-
	(5,591)	-

**b Other Operating Income/Expenditure**

	2015/16	2014/15
	£	£
Income	-	-
Expenditure	-	-
	-	-

Other Operating Expenditure	2015/16	2014/15
	£	£
(Surplus) / Deficit on Non Current Assets	(5,591)	-
Other Operating (Income) / Expenditure	-	-
	(5,591)	-



## 8 Financing and Investment Income and Expenditure

### a Interest Payable and Similar Charges

	2015/16	2014/15
	£	£
Lease/hire purchase interest	35,330	-
Bank interest/charges	8,173	-
Loan interest	652,882	-
	696,385	-

### b Interest and Investment Income

	2015/16	2014/15
	£	£
Bank Interest	32,960	-
Employee car loan interest	30	-
<i>Investment income on Fund Balances</i>		
Capital Fund	3,016	-
Repairs & Renewals Fund	7,527	-
Other Funds	6,377	-
Other Investment income	12,246	-
	62,156	-

### c Pensions interest costs

	2015/16	2014/15
	£	£
Net interest on the net defined benefit liability (asset)	496,000	-
	496,000	-

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

	2015/16	2014/15
	£	£
Income from trading	-	-
Expenditure	-	-
(Surplus)/Deficit for the year	-	-

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

	2015/16	2014/15
	£	£
<b>Income/Expenditure from Investment Properties:</b>		
Income including rental income	(349,018)	-
Expenditure	-	-
<i>Net income from investment properties</i>	(349,018)	-
<b>Surplus/deficit on sale of Investment Properties</b>		
Proceeds from sale	-	-
Carrying amount of investment properties sold	-	-
<i>(Surplus)/deficit on sale of Investment Properties:</i>	-	-
<b>Changes in Fair Value of Investment Properties</b>		
Properties	(205,378)	-
	(554,396)	-

Financing and Investment Income and Expenditure	2015/16			2014/15		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Interest Payable and Similar Charges	696,385	-	696,385	-	-	-
Interest and Investment Income	-	62,156	(62,156)	-	-	-
Pensions interest cost	496,000	-	496,000	-	-	-
Surplus/(Deficit) on trading operations	-	-	-	-	-	-
Other investment income	-	349,018	(349,018)	-	-	-
Changes in Fair Value of Investment Properties	-	205,378	(205,378)	-	-	-
	<b>1,192,385</b>	<b>616,552</b>	<b>575,833</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 9 Taxation and Non Specific Grant Income

### a Revenue Grants

	2015/16	2014/15
	£	£
General	(3,416,059)	-
Other	-	-
	<b>(3,416,059)</b>	<b>-</b>

### b Capital Grants and Donated Assets - Applied

	2015/16	2014/15
	£	£
Government & Other Grants - Conditions met and applied in year	(3,184,673)	-
Government & Other Grants - Transfer from receipts in advance	-	-
Donated Assets - Conditions met	-	-
Donated Assets - Transfer from donated assets creditor	-	-
	<b>(3,184,673)</b>	<b>-</b>

### c Capital Grants - Unapplied

	2015/16	2014/15
	£	£
Government & Other Grants - Conditions met and not applied in year	(399,700)	-
Other	-	-
	<b>(399,700)</b>	<b>-</b>

### d District Rates

	2015/16	2014/15
	£	£
Current year	(29,607,942)	-
	<b>(29,607,942)</b>	<b>-</b>

Taxation and Non Specific Grant Income	2015/16	2014/15
	£	£
District Rate Income	(29,607,942)	-
Revenue Grants	(3,416,059)	-
Capital Grants and Contributions	(3,584,373)	-
	<b>(36,608,374)</b>	<b>-</b>

## 10 Acquired and Discontinued Operations

Local Government reform was implemented on 1st April 2015, when 11 New Councils took over from the previous 26 Councils.

As a result of reform a number of functions which were previously delivered by NI Executive departments are now carried out by local councils. These include:

Planning - local development plan functions; development control and enforcement,

Roads - off-street parking (except Park and Ride),

Local economic development - Start a Business Programme and Enterprise Shows; Youth entrepreneurship; social entrepreneurship; Investing for Women Neighbourhood renewal funding relating to enterprises initiatives

Local tourism - small-scale tourism accommodation development; Providing business support including business start-up advice; Providing advice to developers on tourism policies and related issues

Heritage - control of alterations, extension and demolition of listed buildings; conservation area designation and management; listed building enforcement notices; compensation where listed building consent has been revoked or modified; issuing of Building Preservation Notices; issuing notices to require Urgent Works to preserve a building; community listing of buildings of special architectural or historic interest

Some elements of the delivery of the EU Rural Development Programme and local water recreational facilities.

The Regional Property Certificates Unit was also transferred from Department for Communities (formerly Department of Environment) to Fermanagh and Omagh District Council details of this service is included within Note 30.

### 10a Investment in Tullyvar Joint Committee

Tullyvar Joint Committee is a landfill site jointly owned and managed by Mid Ulster District Council and Fermanagh and Omagh District Council.

The financial provision for landfill capping and aftercare costs was reviewed in the year and discounted in accordance with IAS 37, this resulted in a total discounted provision of £1,917,309 (2014/15 £2,674,427). Also, in accordance with IAS 37, the provision is based on the percentage utilisation of the site to date which is calculated to be £1,771,593 (2014/15 £2,374,891). The Northern Ireland Environment Agency have reviewed Tullyvar's financial provision for landfill capping and aftercare costs in line with its paper "Financial Provision for waste management activities in NI" and have confirmed they are comfortable with the current provision.

Golder Associates were contracted during the period to conduct a review of the site's gas generation potential and have modelled the income projection. The future projected discounted gas income is £1,480,278 over the next 12 years (2014/15 £1,582,531 )

The value of Fermanagh & Omagh's investment in Tullyvar is £2,705,541 (2014/15 £2,726,876) which represents half of Tullyvar's net assets employed and is broken down as follows:-

	2015/16	2014/15
	£	£
Long term assets	2,860,366	2,885,871
Current Assets	1,346,835	1,747,195
Current Liabilities	(615,863)	(718,744)
Long term liabilities	(885,797)	(1,187,446)
<b>Net Assets</b>	<b>2,705,541</b>	<b>2,726,876</b>

Fermanagh and Omagh District Council  
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11 Property, Plant and Equipment

a

Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Intangible Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2015</b>	17,649,217	78,335,858	3,690,197	-	13,628,794	1,568,766	5,794,354	438,256	<b>121,105,442</b>	1,597,105	5,967,600	100,000	-	<b>128,770,147</b>
Adjustments between cost/value & depreciation/impairment	-	-	-	-	7,878	334	-	-	<b>8,212</b>	-	-	-	-	<b>8,212</b>
<b>Balance as at 1 April 2015</b>	<b>17,649,217</b>	<b>78,335,858</b>	<b>3,690,197</b>	<b>-</b>	<b>13,636,672</b>	<b>1,569,100</b>	<b>5,794,354</b>	<b>438,256</b>	<b>121,113,654</b>	<b>1,597,105</b>	<b>5,967,600</b>	<b>100,000</b>	<b>-</b>	<b>128,778,359</b>
Additions	-	-	-	-	793,253	-	6,232,036	-	<b>7,025,289</b>	9,282	-	-	-	<b>7,034,571</b>
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/decreases to Revaluation Reserve	-	4,915,512	-	-	-	-	-	23,000	<b>4,938,512</b>	7,269	-	-	-	<b>4,945,781</b>
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	-	1,804,059	-	-	-	-	-	4,000	<b>1,808,059</b>	-	205,378	-	-	<b>2,013,437</b>
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	(6,933)	-	-	-	(218,337)	-	-	-	<b>(225,270)</b>	-	-	-	-	<b>(225,270)</b>
Derecognition - Other	-	214,756	-	-	-	-	(68,283)	-	<b>146,473</b>	-	-	-	-	<b>146,473</b>
Reclassifications & Transfers	327,335	6,370,845	1,444,839	-	13,800	2,680	(8,605,316)	(147,255)	(593,072)	-	593,072	-	-	-
Reclassified to(-) / from(+) Held for Sale	-	-	-	-	(39,762)	-	-	-	(39,762)	-	-	-	-	<b>(39,762)</b>
<b>Balance as at 31 March 2016</b>	<b>17,969,619</b>	<b>91,641,030</b>	<b>5,135,036</b>	<b>-</b>	<b>14,185,626</b>	<b>1,571,780</b>	<b>3,352,791</b>	<b>318,001</b>	<b>134,173,883</b>	<b>1,613,656</b>	<b>6,766,050</b>	<b>100,000</b>	<b>-</b>	<b>142,653,589</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	Investment Properties	Intangible Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2015</b>	-	5,080,538	691,643	-	9,247,312	430,903	-	-	<b>15,450,396</b>	-	-	-	-	<b>15,450,396</b>
Adjustments between cost/value & depreciation/impairment	-	-	-	-	7,878	334	-	-	<b>8,212</b>	-	-	-	-	<b>8,212</b>
<b>Balance as at 1 April 2015</b>	-	<b>5,080,538</b>	<b>691,643</b>	-	<b>9,255,190</b>	<b>431,237</b>	-	-	<b>15,458,608</b>	-	-	-	-	<b>15,458,608</b>
Depreciation Charge	-	3,704,095	256,752	-	1,799,913	49,550	-	-	<b>5,810,310</b>	-	-	-	-	<b>5,810,310</b>
Depreciation written out on Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(214,937)	-	-	-	<b>(214,937)</b>	-	-	-	-	<b>(214,937)</b>
Derecognition - Other	-	214,755	-	-	-	-	-	-	<b>214,755</b>	-	-	-	-	<b>214,755</b>
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	(40,762)	-	-	-	<b>(40,762)</b>	-	-	-	-	<b>(40,762)</b>
<b>Balance as at 31 March 2016</b>	-	<b>8,999,388</b>	<b>948,395</b>	-	<b>10,799,404</b>	<b>480,787</b>	-	-	<b>21,227,974</b>	-	-	-	-	<b>21,227,974</b>

#### Net Book Values

<b>Balance as at 31 March 2016</b>	<b>17,969,619</b>	<b>82,641,642</b>	<b>4,186,641</b>	<b>-</b>	<b>3,386,222</b>	<b>1,090,993</b>	<b>3,352,791</b>	<b>318,001</b>	<b>112,945,909</b>	<b>1,613,656</b>	<b>6,766,050</b>	<b>100,000</b>	<b>-</b>	<b>121,425,615</b>
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#### Valuations

The last valuation of freehold and leasehold properties was carried out as at 1 April 2013 by an independent valuer from Land and Property Services. As at 31 March 2016, indices provided by Land and Property Services were applied to categories of assets to reflect market changes. Please refer to Note 1 for further information on revaluation and depreciation policies.

Included within property, plant and equipment are 38 car parks which transferred to the Council under Local Government Reform. These car parks have been included within the accounts at the value as provided by DRD (Department for Regional Development) who last carried out a full revaluation as at 31 March 2013. It is the intention that these car parks will be included within the next full revaluation which will take place during 2016/17.

During the accounting period, there was a change applied in the Councils accounting estimates for property, plant and equipment in order to adopt a consistent approach, this change was applied in accordance with paragraph 4.1.4.3.(3) of the Code. The estimated useful life on some items of plant and equipment were increased from 5 years to 7 years, resulting in a reducing adjustment of £168,926 in year on depreciation of this class of asset. Furthermore, it was deemed appropriate to depreciate plant and equipment relating to the transferred carparks over 15 years, as this is the recommended replacement policy, therefore resulting in an in year adjustment of £36,500 to accelerate depreciation on this asset class.

**11 c Intangible Assets**

The Council also owns an Intangible Assets which relate solely to market rights. The asset was valued at 1 April 2013 by an independent valuer from Land and Property Services. This asset is not amortised as it is considered to have an indefinite life.

Intangible Assets	31/03/2016	31/03/2015
	£	£
Market Trading Rights	100,000	-
	100,000	-

**d Investment Properties**

Additions in the year of £483,072 related to the acquisition of the former Erne Hospital site.

Reclassifications includes £110,000 transferred from surplus assets during the year.

Investment Properties	31/03/2016	31/03/2015
	£	£
Rental Income from Investment Activities	- 349,018	-
Direct Operating expenses arising from investment properties	-	-
<b>Net gain/(loss)</b>	<b>(349,018)</b>	<b>-</b>

**e Heritage Assets**

**Local History and Folk Life**

The Council's collection of local history and folk life artefacts is reported in the Balance Sheet at insurance valuation which is based on market values. These insurance valuations are updated annually.

**Fine and Decorative Arts**

The Council's fine and decorative arts collection is reported in the Balance Sheet at insurance valuation which is based on market values. These insurance valuations are updated annually. The collection also has particularly significant items in terms of both value and note, including a collection of William Scott and TP Flanagan paintings valued at £909,500 and £118,400 respectively.

The Council holds a small number of other paintings, pictures and prints. These are not recognised on the balance sheet as cost information is not readily available and the Council believes that the benefits of obtaining valuations for these items would not justify the cost. These items are not considered to be material in value.

**Art Sculptures**

The Council's collection of Art Sculptures is reported in the Balance Sheet at historical cost on the balance sheet and are not depreciated.

**Disposals in the financial year:**

There were no disposals in the year

f Assets Held for Sale

Assets Held for Sale	Current	Non Current	Total
	£	£	£
<b>Cost or Valuation</b>			
Balance as at 1 April 2015	61,750	-	61,750
Adjustments between cost/value & depreciation/impairment	-	-	-
Transferred from Non-Current Assets during year	2,000	-	2,000
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 Services	-	-	-
Assets Held for Sale Impairment @ Cost to Provision of Services	-	-	-
Derecognition - Disposals	(25,501)	-	(25,501)
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	(3,000)	-	(3,000)
Transferred to Property, Plant & Equipment during year	-	-	-
<b>Balance as at 31 March 2016</b>	<b>35,249</b>	<b>-</b>	<b>35,249</b>
<b>Impairment</b>			
Balance as at 1 April 2015	-	-	-
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 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Book Value</b>			
Balance as at 31 March 2016	35,249	-	35,249
Balance as at 31 March 2015	61,750	-	61,750

The loss on assets classified to held for sale and sold during the year was £2,101

g Long-Term Assets - Leased Assets

	Vehicles	Equipment	TOTAL
	£	£	£
<b>Cost or Valuation</b>			
At 1 April 2015	2,608,308	-	2,608,308
Additions	155,040	-	155,040
Disposals	-	-	-
<b>At 31 March 2016</b>	<b>2,763,348</b>	<b>-</b>	<b>2,763,348</b>
<b>Depreciation</b>			
At 1 April 2015	1,831,466	-	1,831,466
Disposals	-	-	-
Provided for year	245,815	-	245,815
<b>At 31 March 2016</b>	<b>2,077,281</b>	<b>-</b>	<b>2,077,281</b>
<b>Net Book Value</b>	<b>686,067</b>	<b>-</b>	<b>686,067</b>

#### h Fair Value Hierarchy for Surplus Assets

Details of the Council's surplus assets and information about the fair value hierarchy as at 31 March 2016 are as follows:

2015/16 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2016
	£	£	£	£
Capital sales market comparables	-	288,000	-	288,000
Market rental capitalisation	-	30,000	-	30,000
<b>Total</b>	-	<b>318,000</b>	-	<b>318,000</b>

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

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

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

##### Significant observable inputs – Level 2

##### Highest and best use of surplus assets

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

##### Valuation Techniques

Surplus Assets were revalued at 31 March 2016, in accordance with IFRS 13, by an external valuer.

Gains arising from changes in the fair value of surplus assets are recognised in the revaluation reserve, unless they reverse a previous impairment charged to the Surplus or Deficit on the Provision of Services. Losses arising from changes in the fair value of the surplus assets reduce any revaluation reserve balance relating to that asset and, thereafter, are recognised in Surplus or Deficit on the Provision of Services.

The net gain for the period included in the Surplus or Deficit on the Provision of Services attributable to a change in unrealised gains relating to those assets held at the end of the reporting period amounted to £4,000, this was recognised under Environmental Services in the Surplus or Deficit on the Provision of Services.

##### Valuation Process for Surplus Assets

The fair value of the Council's Surplus Assets is measured at each year end. All valuations are carried out externally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors, who work closely with Council officers regarding all valuation matters.



## i Fair Value Hierarchy for Investment Properties

Details of the Council's Investment Properties and information about the fair value hierarchy as at 31 March 2016 are as follows:-

2015/16 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2016
	£	£	£	£
Capital sales market comparables	-	2,316,350	-	2,316,350
Market rental capitalisation	-	3,189,700	-	3,189,700
Market rental capitalisation and capital sales market comparables	-	1,260,000	-	1,260,000
<b>Total</b>	-	<b>6,766,050</b>	-	<b>6,766,050</b>

### Transfers between levels of the fair value hierarchy

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

### Significant observable inputs – Level 2

The Investment Properties have been valued to Fair Value as per IFRS 13 and equates to being the Market Value of the interest held, defined in the RICS Valuation - Professional Standards at VPS4, paragraph 1.2. The Valuer will have referenced quoted prices for similar assets or liabilities being sold, purchased or leased in active markets, leading to such comparable quoted prices being classified at Level 2 in the fair value hierarchy.

### Highest and best use of Investment Properties

In estimating the fair value of the Council's Investment Properties, the highest and best use of the properties is their current use.

### Valuation Techniques

There has been no change in the valuation techniques used during the year for Investment Properties.

Gains or losses arising from changes in the fair value of the investment property are recognised in Surplus or Deficit on the Provision of Services – Financing and Investment Income and Expenditure line.

### Valuation Process for Investment Properties

The fair value of the Council's Investment Properties is measured at each year end. All valuations are carried out externally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors who work closely with council officers regarding all valuation matters.

## 12 Capital Expenditure and Capital Financing

NOTE: The total Capital Expenditure incurred in the year (and comparative year) is shown below - including the value of assets acquired under finance leases and PFI/PPP 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, the expenditure results in an increase in the CFR, a measure of the Capital Expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

Capital Expenditure		2015/16	2014/15	2013/14
		£	£	£
<b>Opening Capital Financing Requirement</b>		13,325,043	-	-
<b>Capital Investment</b>				
Property, Plant and Equipment	11a	7,034,571	-	-
Investment Properties		-	-	-
Intangible Assets		-	-	-
Revenue Expenditure Funded from Capital under Statute		-	-	-
Investments		-	-	-
<b>Sources of Finance</b>				
Capital Receipts		(8,000)	-	-
Government Grants and Other Contributions	9	(4,203,538)	-	-
Transfers from Earmarked Reserves		(1,465,323)	-	-
<b>Sums set aside from Revenue:</b>				
Direct Revenue Contributions		(1,193,600)	-	-
Minimum Revenue Provision **		(1,371,124)	-	-
<b>Closing Capital Financing Requirement</b>		<b>12,118,029</b>	-	-
<b>Explanation of Movements in Year</b>				
		£	£	£
Increase in underlying need to borrow		(1,354,054)	-	-
Assets acquired under finance leases		147,040	-	-
Assets acquired under PFI/PPP contracts		-	-	-
<b>Increase/(decrease) in Capital Financing Requirement</b>		<b>(1,207,014)</b>	-	-

### 13 Future Capital Commitments

The Council has an ongoing programme of capital works and the estimated cost of the 16-17 schemes is as follows:

	Gross Cost	Grant Aid	Net Cost
	£	£	£
Schemes underway	1,750,000	170,000	1,580,000
Other Commitments	8,428,500	3,302,500	5,126,000
<b>Total</b>	<b>10,178,500</b>	<b>3,472,500</b>	<b>6,706,000</b>

### 14 Inventories

	2015/16	2014/15
	£	£
Central Stores	215,620	-
Other	186,334	-
<b>Total</b>	<b>401,954</b>	<b>-</b>

The cost of inventories written down and recognised as an expense in 'services' amounted to £1,865

### 15 Debtors

a Long Term Debtors	2015/16	2014/15
	£	£
Finance lease debtors	491,461	-
Other	74,463	-
<b>Total Long-Term Debtors</b>	<b>565,924</b>	<b>-</b>

b Short Term Debtors	2015/16	2014/15
	£	£
Government Departments	2,374,569	-
Other Councils	341,378	1,229,068
Public corporations and trading funds	-	-
Bodies external to general government	8,102	-
NIHE loans	-	-
Employee car loans	300	-
Revenue Grants	11,182	-
Capital Grants	961,908	-
Interest Receivable	747	-
Capital Debtors	67,500	-
Value Added Tax	535,599	-
Prepayments	179,926	87,935
Finance lease debtors	26,342	-
Other	237,482	-
Trade receivables	686,148	-
Impairment loss - Trade receivables	(602,025)	-
<b>Total Short-Term Debtors</b>	<b>4,829,158</b>	<b>1,317,003</b>
<b>Total Debtors</b>	<b>5,395,082</b>	<b>1,317,003</b>

Appropriate discount rates have been applied to arrive at the carrying amount of the Council's long term debtors. The prior year debtor figure relates to the Shadow Council whereas the 2015/16 debtor balance is as a result of money owed to Fermanagh & Omagh District Council as at 31 March 2016.

### 16 Borrowings

a Short Term Borrowing	2015/16	2014/15
	£	£
Loans re-payable within one year	1,175,919	-
Finance Lease Principal	257,375	-
<b>Total Short Term Borrowing</b>	<b>1,433,294</b>	<b>-</b>

b Long Term Borrowing	2015/16	2014/15
	£	£
Between 1 and 2 years	1,115,619	-
Between 2 and 5 years	3,316,296	-
Between 5 and 10 years	3,776,367	-
In more than 10 years	2,087,019	-
<b>Government Loans Fund</b>	<b>10,295,301</b>	<b>-</b>
<b>Total Borrowing</b>	<b>11,728,595</b>	<b>-</b>

17

Creditors				
a Short Term Creditors				
		2015/16	2014/15	2013/14
		£	£	£
Government Departments		487,263	-	-
Other Councils		738,962	856,193	-
Public corporations and trading funds		-	-	-
Bodies external to general government		-	-	-
Rates clawback		-	-	-
VAT		-	-	-
Loan Interest Payable		99,569	-	-
Capital Creditors		834,603	-	-
Remuneration due to employees		217,759	-	-
Accumulated Absences		685,084	42,763	-
Receipts in advance		399,061	-	-
Trade creditors		2,456,553	330,112	-
Other		1,247	-	-
<b>Total Short Term Creditors</b>		<b>5,920,101</b>	<b>1,229,068</b>	<b>-</b>

The creditor balance of 'Other Councils' includes £635k of amounts due to other Councils as the distribution of income regarding the Property Certificate Unit.

<b>Total Creditors</b>	<b>5,920,101</b>	<b>1,229,068</b>	<b>-</b>
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#### b Payment of Invoices

The Council has a target of paying supplier invoices within 30 calendar days. During the year the Council paid 16,580 invoices totalling £24,760,471.

The Council paid:

13,900 (84%) invoices within 30 calendar days;  
 8,836 (53%) invoices within 10 working days; and  
 2,679 (16%) invoices outside of the 30 day target.

The average number of days taken to pay suppliers during the year was 21 days.

Provisions							
Provisions	Balance as at 1 April 2015	Increase in provision during year	Utilised during year	Other Movements	Interest cost and/or discount rate changes	Balance as at 31 March 2016	
	£	£	£	£	£	£	£
Landfill Closure - Drummee	1,853,129	209,904	-	42,629	(156,929)	<b>1,948,733</b>	
Landfill Closure - Glassmullagh	1,344,284	35,466	(8,200)	(28,784)	(56,080)	<b>1,286,686</b>	
Landfill Closure - Mullaghmore	120,000	65,506	(65,506)	-	-	<b>120,000</b>	
Redundancy	179,000	148,083	-	-	-	<b>327,083</b>	
Other	85,807	-	(75,807)	-	-	<b>10,000</b>	
<b>Total</b>	<b>3,582,220</b>	<b>458,959</b>	<b>(149,513)</b>	<b>13,845</b>	<b>(213,009)</b>	<b>3,692,502</b>	
Current Provisions	125,807	-	(75,807)	-	-	<b>50,000</b>	
Long Term Provisions	3,456,413	458,959	(73,706)	13,845	(213,009)	<b>3,642,502</b>	
<b>Total</b>	<b>3,582,220</b>	<b>458,959</b>	<b>(149,513)</b>	<b>13,845</b>	<b>(213,009)</b>	<b>3,692,502</b>	

#### Landfill Closure - Drummee

The Council has an operational landfill site at Drummee. At 31 March 2016, the Council has an obligation for the closure of the site and the subsequent aftercare costs. In line with recommended accounting practice and the Code, the gas income due for Drummee is included in Other Debtors (Note 15). This adjustment is reflected in other movements. In 2015-16, following guidance from the Council's Treasury Advisors, and the Department, the council amended the discount rate used in the calculation of its landfill provisions, in line with National Loans Fund rates. This has been accounted for as a change in estimate and has resulted in a decrease in the provision for Drummee of £157k which is included in 'interest cost and/or discount rate changes'. The Northern Ireland Environment Agency (NIEA) has approved the provision calculations as at 31 March 2014 and calculations as at 31 March 2015 have been submitted to NIEA. The calculations as at 31 March 2016 has been assessed and agreed with a qualified civil engineer (who is Director of Environment and Place).

#### Landfill Closure - Glassmullagh

The Council has a landfill site at Glassmullagh that has ceased operations. At 31 March 2016, the Council has an obligation for the aftercare costs of the site. In line with recommended accounting practice and the Code, the gas income due for Glassmullagh is included in Other Debtors (Note 15). This adjustment is reflected in other movements. In 2015-16, following guidance from the Council's Treasury Advisors, and the Department, the council amended the discount rate used in the calculation of its landfill provisions, in line with National Loans Fund rates. This has been accounted for as a change in estimate and has resulted in a decrease in the provision for Glassmullagh of £56,080 which is included in interest rate and/or discount rate changes'. The Northern Ireland Environment Agency (NIEA) has approved the calculations as at 31 March 2014 and calculations as at 31 March 2015 have been submitted to NIEA. The calculations as at 31 March 2016 has been assessed and agreed with a qualified civil engineer (who is Director of Environment and Place).

#### Landfill Closure - Mullaghmore

As in previous years, ongoing costs have been incurred in dealing with the discharge of one of the Council's closed landfill sites. These costs are deemed to be substantial. A proposal has been prepared whereby the water going onto site from adjoining properties will be diverted into a storm drain. Discussions are ongoing with the landowners' agents in relation to the site. A provision has been established to finance costs which are expected to arise over the next three years and will be reviewed at each year end.

#### Redundancy

To meet the anticipated costs of the early release of staff as a result of Local Government Reform a provision has been established.

#### Provisions - Other

A provision was made in the 2011/12 financial statements of the former Fermanagh District Council on foot of an adjudicator's decision in respect of the contractor's claim for the development of Drummee Waste Management Facility. The Council issued an Arbitration Notice but was not permitted by the Courts to commence the Arbitration Process following an Application under Section 12 of the Arbitration Act 1996. The balance of the provision at 31 March 2016 is £10,000.

## 19 Financial Instruments

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

### Credit Risk

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

Trade debtors, inclusive of VAT, can be analysed by age as follows:

Trade debtors, inclusive of VAT, can be analysed by age as follows:		
		£
Less than three months		890,562
Three to six months		48,754
Six months to one year		31,834
More than one year		127,525
		<b>1,098,675</b>

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

### Liquidity Risk

As the Council has ready access to borrowings from the Department of Finance and Personnel's Consolidated Fund, there is no significant risk that it will be unable to raise finance to meet its commitments under Financial Instruments. The maturity analysis of financial liabilities is included in notes 16 to 18. All trade and other payables are due for payment within one year.

### Market Risk

#### Interest rate risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments.

#### Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no material exposure to loss arising from movements in exchange rates.

#### Fair Value of Government Loans

The Council is in receipt of loans from the Department of Finance and Personnel that differ from the prevailing market rates. The fair value of these loans is £14,455,015, analysed as follows.

	£
Government Loans	14,455,015
Market Loans	-
<b>Total</b>	<b>14,455,015</b>

Financial Liabilities	Balance as at 31st March 2016		Balance as at 31st March 2015	
	Carrying Amount (£)	Fair Value (£)	£	£
Financial Liabilities held at amortised cost	15,199,834	14,455,015	-	-
PFI and finance lease liabilities	1,291,999	1,180,121	-	-
<b>Total</b>	<b>16,491,833</b>	<b>15,635,136</b>	-	-

The fair value of borrowings is lower than the carrying amount because the Council's portfolio of financial liabilities includes a number of fixed rate liabilities where the interest rate payable is higher than the prevailing rates at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31 March 2016) arising from a commitment to pay interest to lenders below current market rates.

Financial Assets	Balance as at 31st March 2016		Balance as at 31st March 2015	
	£	£	£	£
Loans and Receivables	-	-	-	-
Long term debtors	565,924	565,924	-	-
<b>Total</b>	<b>565,924</b>	<b>565,924</b>	-	-

The fair value of the financial assets is the carrying amount of the Council's portfolio of long term debtors (note 15). Short-term debtors and creditors are not disclosed above and are carried at cost as this is a fair approximation of their value.

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

Recurring Fair Value Measurements using:	Quoted prices in active markets for identical assets/ liabilities (level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (level 3)	Total	Quoted prices in active markets for identical assets/ liabilities (level 1)	Other significant observable inputs (Level 2)
	£	£	£	£	£	£
<b>Financial Liabilities</b>						
<b>Financial Liabilities held at amortised cost:</b>						
Loans/ borrowings	-	14,455,015	-	14,455,015	-	-
PFI and finance lease liabilities	-	1,180,121	-	1,180,121	-	-
<b>Total</b>	-	<b>15,635,136</b>	-	<b>15,635,136</b>	-	-
<b>Financial Assets</b>						
Long Term Debtors	-	565,924	-	565,924	-	-
<b>Total</b>	-	<b>565,924</b>	-	<b>565,924</b>	-	-

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

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

Financial Assets	Financial Liabilities
- No early repayment or impairment is recognised	- No early repayment is recognised
- Estimated interest rates at 31 March 2016 were based on appropriate rates provided to the Council.	- Estimated ranges of interest rates at 31 March 2016 of 1.15% to 2.95% for loans payable based on new lending rates for equivalent loans at that date. These rates were provided to the Council by their external Treasury Advisors.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.	

## 20 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	2015/16	2014/15
		£	£
Net cost of services:			
Current service cost		3,812,000	-
Past service cost/(gain)		482,000	-
Gains and losses on settlements or curtailments		-	-
Net operating expenditure:			
Net Interest on net defined benefit Liability (asset)		496,000	-
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>		<b>4,790,000</b>	<b>-</b>
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(4,790,000)	-
Actual amount charged against the general fund balance for pensions in the year:			
Employers' contributions payable to scheme		3,491,605	-
<b>Net charge to the Comprehensive Income and Expenditure Statement</b>		<b>(1,298,395)</b>	<b>-</b>

The service cost figures include an allowance for administration expenses of 1.18%.

Remeasurements recognised in Other Comprehensive Income and Expenditure		Note	2015/16	2014/15
			£	£
Liability (gains)/losses due to change in assumptions			(696,000)	-
Liability experience (gains)/losses arising in the year			(4,535,000)	-
Actuarial (gains)/losses on plan assets			367,000	-
Other - (if applicable)			-	-
Total (gains)/losses recognised in Other Comprehensive Income and Expenditure			(4,864,000)	-

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

Reconciliation of present value of the scheme liabilities:		Note	2015/16	2014/15
			£	£
Balance as at 1 April			112,261,000	-
Current service cost			3,812,000	-
Interest cost			3,559,000	-
Contributions by members			954,000	-
Remeasurement (gains) and losses:				
Actuarial gains/losses arising from changes in financial assumptions			(696,000)	-
Actuarial gains/losses arising from demographic changes			-	-
Actuarial gains/losses arising on liabilities from experience			(4,535,000)	-
Other (if applicable)			-	-
Past service costs/(gains)			482,000	-
Losses/(gains) on curtailments			-	-
Liabilities extinguished on settlements			-	-
Estimated unfunded benefits paid			-	-
Estimated benefits paid			(2,458,000)	-
Balance as at 31 March			113,379,000	-

Reconciliation of present value of the scheme assets:		Note	2015/16	2014/15
			£	£
Balance as at 1 April			94,708,000	-
Interest Income			3,063,000	-
Contributions by members			954,000	-
Contributions by employer			3,475,829	-
Contributions in respect of unfunded benefits			15,776	-
Remeasurement gain/(loss)			(367,000)	-
Assets distributed on settlements			17,395	-
Unfunded benefits paid			-	-
Benefits paid			(2,458,000)	-
Balance as at 31 March			99,409,000	-

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 loss of £2.696M

Fair Value of Plan Assets	31/03/2016	31/03/2015	31/03/2014
	£	£	£
Equity investments	71,356,436	-	-
Bonds	12,008,524	-	-
Property	13,100,208	-	-
Cash	2,282,612	-	-
Other	496,220	-	-
	99,244,000	-	-

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.

	31/03/2016	31/03/2015	31/03/2014
	£	£	£
Fair Value of Employer Assets	99,409,000	-	-
Present value of funded defined benefit obligation	(113,677,000)	-	-
Pension asset/(liability) of Funded Scheme	(14,268,000)	-	-
Present Value of unfunded defined benefit obligation	298,000	-	-
Other movement in the liability (asset) (if applicable)	-	-	-
<b>Net asset/(liability) arising from the defined benefit obligation</b>	<b>(13,970,000)</b>	<b>-</b>	<b>-</b>
Amount in the Balance sheet:			
Liabilities	(113,379,000)	-	-
Assets	99,409,000	-	-
<b>Net Asset/(Liability)</b>	<b>(13,970,000)</b>	<b>-</b>	<b>-</b>

#### d Scheme history

Analysis of scheme assets and liabilities	31/03/2016	31/03/2015	31/03/2014
	£	£	£
Fair Value of Assets in pension scheme	99,409,000	-	-
Present Value of Defined Benefit Obligation	(113,379,000)	-	-
<b>Surplus/(deficit) in the Scheme</b>	<b>(13,970,000)</b>	<b>-</b>	<b>-</b>

Amount recognised in Other Comprehensive Income and Expenditure:	31/03/2016	31/03/2015	31/03/2014
	£	£	£
Actuarial gains/(losses)	4,864,000	-	-
Expected Return on Plan Assets	-	-	-
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	17,346	-	-
Remeasurements recognised in Other Comprehensive Income and Expenditure	4,881,346	-	-
Cumulative actuarial gains and losses	4,881,346	-	-
<b>History of experience gains and losses:</b>			
Experience gains and (losses) on assets	(367,000)	-	-
Experience gains and (losses) on liabilities	696,000	-	-

#### Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2017

	31/03/2017	31/03/2017
	£	%
Projected current cost	3,716,000	0.0%
Net Interest on the net defined benefit liability (asset)	412,000	0.0%
	<b>4,128,000</b>	<b>0.0%</b>

#### History of experience gains and losses

	31/03/2016	31/03/2015	31/03/2014
	%	%	%
Experience (gains and (losses) on Assets	0.00	0	0
Experience gains and (losses) on Liabilities	-0.01	0	0



e Basis for estimating assets and liabilities

Long-term expected rate of return on assets in the scheme:	2015/16	2014/15
	%	%
Equity investments	71.9%	0.0%
Bonds	12.1%	0.0%
Property	13.2%	0.0%
Cash	2.3%	0.0%
Other	0.5%	0.0%
<b>Mortality assumptions:</b>		
<i>Longevity at 65 current pensioners:</i>	Years	Years
Men	22.3	0
Women	24.8	0
<i>Longevity at 65 for future pensioners:</i>		
Men	24.5	0
Women	27.2	0
Inflation/Pension Increase Rate	1.80%	0.00%
Salary Increase Rate	3.30%	0.00%
Discount Rate	3.40%	0.00%
Pension accounts revaluation rate	0.00%	0.00%
<b>Take-up of option to convert annual pension into retirement lump sum:</b>		
Service to April 2009	75%	0%
Service post April 2009	75%	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 2016 is set out below.

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

**Funded Pension Scheme Benefits**

<b>Discount Rate Assumption</b>		
	<b>+0.1%p.a.</b>	<b>-0.1%p.a.</b>
Adjustment to discount rate		
Present value of the total obligation	110,803,000.00	-
% change in the present value of the total obligation	-1.90%	0.00%
Projected service cost	3,607,000.00	-
Approximate % change in projected service cost	-2.90%	0.00%
<b>Rate of General Increase in Salaries</b>		
Adjustment to salary increase rate	<b>+0.1%p.a.</b>	<b>-0.1%p.a.</b>
Present value of the total obligation	113,577,000	-
% change in the present value of the total obligation	0.60%	0.00%
Projected service cost	3,716,000.00	-
Approximate % change in projected service cost	0.00%	0.00%
<b>Rate of Increase to Pensions in Payment and Deferred Pension Assumption</b>		
Adjustment to pension increase rate	<b>+0.1%p.a.</b>	<b>-0.1%p.a.</b>
Present value of the total obligation	114,402,000.00	-
% change in the present value of the total obligation	1.30%	0.00%
Projected service cost	3,828,000.00	-
Approximate % change in projected service cost	3.00%	0.00%
<b>Post Retirement Mortality Assumption</b>		
Adjustment to mortality age rating assumption*	<b>- 1 Year</b>	<b>+1 Year</b>
Present value of the total obligation	115,872,000.00	-
% change in the present value of the total obligation	2.60%	0.00%
Projected service cost	3,840,000.00	-
Approximate % change in projected service cost	3.30%	0.00%

\* 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**

	31/03/2016	31/03/2015	31/03/2014
	%	%	%
Equity investments	71.90%	0.00%	0.00%
Government Bonds	5.70%	0.00%	0.00%
Corporate Bonds	6.40%	0.00%	0.00%
Property	13.20%	0.00%	0.00%
Cash	2.30%	0.00%	0.00%
Other	0.50%	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>0.00%</b>	<b>0.00%</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 31/03/2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DFP Superannuation and Other Allowances Resource Accounts as at 31 March 2016.

21 Opening Balance Sheet Note as at 1st April 2015

	Fermanagh District Council	Omagh District Council	Shadow Council	Asset Recognition	Transfers from Central Government	Balance as at 1 April 2015
	£	£	£	£	£	£
Property Plant & Equipment	49,921,266	52,207,961	-	10,610	3,515,210	105,655,046
Heritage Assets	1,505,120	88,985	-	3,000	-	1,597,105
Investment Properties	1,067,100	4,900,500	-	-	-	5,967,600
Intangible Assets	-	100,000	-	-	-	100,000
Assets Held for Sale	-	-	-	-	-	-
Long Term Investments	-	-	-	-	-	-
Investment in Associates and Joint Ventures	-	2,726,876	-	-	-	2,726,876
Long Term Debtors	60,130	517,803	-	-	-	577,933
<b>LONG TERM ASSETS</b>	<b>52,553,616</b>	<b>60,542,125</b>	<b>-</b>	<b>13,610</b>	<b>3,515,210</b>	<b>116,624,560</b>
Short Term Investments	-	-	-	-	-	-
Inventories	236,503	216,265	-	-	-	452,768
Short Term Debtors	4,285,767	4,880,429	1,317,003	-	550,329	11,033,528
Cash and Cash Equivalents	5,959,230	2,309,889	-	-	-	8,269,119
Assets Held for Sale	37,072	24,678	-	-	-	61,750
<b>CURRENT ASSETS</b>	<b>10,518,572</b>	<b>7,431,261</b>	<b>1,317,003</b>	<b>-</b>	<b>550,329</b>	<b>19,817,165</b>
Bank Overdraft	450	-	-	-	-	450
Short Term Borrowing	598,942	728,290	-	-	-	1,327,232
Short Term Creditors	3,003,577	3,230,447	1,229,068	-	504,833	7,967,925
Provisions	85,807	40,000	-	-	-	125,807
<b>CURRENT LIABILITIES</b>	<b>3,688,776</b>	<b>3,998,737</b>	<b>1,229,068</b>	<b>-</b>	<b>504,833</b>	<b>9,421,414</b>
Long Term Creditors	-	-	-	-	-	-
Provisions	3,197,413	259,000	-	-	-	3,456,413
Long Term Borrowing	2,536,896	8,934,325	-	-	-	11,471,221
Other Long Term Liabilities	9,273,000	9,340,713	-	-	-	18,613,713
Capital Grants Receipts in Advance	-	-	-	-	-	-
Donated Assets Account	-	-	-	-	-	-
<b>LONG TERM LIABILITIES</b>	<b>15,007,309</b>	<b>18,534,038</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,541,347</b>
<b>NET ASSETS</b>	<b>44,376,103</b>	<b>45,440,611</b>	<b>87,935</b>	<b>13,610</b>	<b>3,560,705</b>	<b>93,478,964</b>
USABLE RESERVES						
Capital Receipts Reserve	63,835	68,280	-	-	-	132,115
Capital Grants Unapplied Account	1,038,942	-	-	-	-	1,038,942
Capital Fund	-	606,135	-	-	-	606,135
Renewal and Repairs Fund	1,269,683	574,409	-	-	-	1,844,092
Other Balances and Reserves	1,251,557	1,537,616	-	-	-	2,789,173
General Fund	1,173,339	1,517,541	130,698	-	45,496	2,867,074
<b>TOTAL USABLE RESERVES</b>	<b>4,797,356</b>	<b>4,303,981</b>	<b>130,698</b>	<b>-</b>	<b>45,496</b>	<b>9,277,531</b>
UNUSABLE RESERVES						
Capital Adjustment Account	37,579,024	43,876,885	-	13,610	3,515,210	84,984,728
Financial Instruments Adjustment Account	-	-	-	-	-	-
Revaluation Reserve	10,949,156	6,243,178	-	-	-	17,192,334
Available for Sale Financial Instruments Reserve	-	-	-	-	-	-
Pensions Reserve	(8,279,950)	(9,273,000)	-	-	-	(17,552,950)
Capital Receipts Deferred Account	-	545,557	-	-	-	545,557
Accumulated Absences Account	(254,647)	(255,990)	(42,763)	-	-	(553,400)
Landfill Regulations Reserve	-	-	-	-	-	-
Provisions Discount Rate Reserve	(414,836)	-	-	-	-	(414,836)
<b>TOTAL UNUSABLE RESERVES</b>	<b>39,578,747</b>	<b>41,136,630</b>	<b>(42,763)</b>	<b>13,610</b>	<b>3,515,210</b>	<b>84,201,433</b>
<b>NET WORTH</b>	<b>44,376,103</b>	<b>45,440,611</b>	<b>87,935</b>	<b>13,610</b>	<b>3,560,705</b>	<b>93,478,964</b>

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22 Other cash flow disclosures

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

Adjustment to surplus or deficit on the provision of services for noncash movements	Notes	2015/16	2014/15
		£	£
Depreciation	11	5,810,310	-
Impairment & downward revaluations (& non-sale derecognitions)	11	(1,945,154)	-
Amortisation (included with depreciation above)		-	-
(Increase)/Decrease in Stock		50,814	-
(Increase)/Decrease in Debtors		4,299,279	-
Increase/(decrease) in impairment provision for bad debts		420,658	-
Increase/(Decrease) in Creditors		(804,270)	-
Increase/(Decrease) in Interest Creditors		-	-
Payments to NILGOSC	20	1,298,395	-
Carrying amount of non-current assets sold	11c	35,834	-
AIC/WIP written off to Net Cost of Services	11a	-	-
Contributions to Other Reserves/Provisions		323,429	-
Movement in value of investment properties-included above in Impairment & downward revaluations (& non-sale derecognitions)		-	-
Amounts posted to CIES from Donated Assets Account		-	-
		9,489,295	-

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	Notes	2015/16	2014/15
		£	£
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		(41,425)	-
Capital grants included in "Taxation & non-specific grant income"		(3,584,373)	-
		(3,625,798)	-

## 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:

	2015/16	2014/15	2013/14
	£	£	£
Cash and Bank balances	1,731,825	-	-
Short Term Deposits (considered to be Cash Equivalents)	12,047,935	8,268,669	-
Short Term Investments (considered to be Cash Equivalents)	-	-	-
Bank Overdraft	(175)	-	-
	13,779,585	8,268,669	-

c Cash Flow Statement: Operating Activities	2015/16	2014/15
	£	£
The cash flows from operating activities include:		
Interest received	32,960	-
Interest paid	688,212	-

d Cash flows from Investing Activities	2015/16	2014/15
	£	£
Purchase of PP&E, investment property and intangible assets	7,614,497	-
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	(41,425)	-
Proceeds from Short Term Investments (not considered to be cash equivalents)	-	-
Proceeds from Long Term Investments	-	-
Capital Grants and Contributions Received	(4,498,874)	-
Other Receipts from Investing Activities	-	-
<b>Net Cash flows from Investing Activities</b>	<b>3,074,198</b>	<b>-</b>

e Cash flows from Financing Activities	2015/16	2014/15
	£	£
Cash Receipts from Short and Long Term Borrowing	-	-
Other Receipts from Financing Activities	-	-
Cash payments for the reduction of the outstanding liability relating to a finance lease and on-Balance Sheet PFI contracts	(284,064)	-
Repayment of Short and Long Term Borrowing	(1,087,060)	-
Other payments for Financing Activities	-	-
<b>Net Cash flows from Financing Activities</b>	<b>(1,371,124)</b>	<b>-</b>

## 23 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 property, plant and equipment 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	31/03/2016	31/03/2015
		£	£
<b>At 1 April</b>		132,115	-
<b>Movement</b>			
Transfers between statutory & other reserves & the General Fund		-	-
Disposal of Non Current Assets/ Capital Sales	3,11	41,425	-
Capital Receipts used to finance capital expenditure	3, 12	(8,000)	-
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements			-
Other Movements			-
<b>At 31 March</b>		<b>165,540</b>	<b>-</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	31/03/2016	31/03/2015
		£	£
<b>At 1 April</b>		1,038,942	-
<b>Movement</b>			
Unapplied Capital Grants received in year		399,700	-
Unapplied Capital Grants transferred to CAA in year		(1,018,865)	-
<b>At 31 March</b>		<b>419,777</b>	<b>-</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. Councils should disclose details where any of these reserves are earmarked for specific purposes.

Capital Fund	Notes	31/03/2016	31/03/2015
		£	£
At 1 April		606,135	-
Transfers between statutory & other reserves & the General Fund		1,102,550	-
Transfers between Capital Fund & CAA to finance Capital Expenditure	12	(569,210)	-
<b>At 31 March</b>		<b>1,139,475</b>	<b>-</b>

### d Renewal and Repairs 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. Councils should disclose details where any of these reserves are earmarked for specific purposes.

Renewal and Repairs Fund	Notes	31/03/2016	31/03/2015
		£	£
At 1 April		1,844,092	-
Transfers between statutory & other reserves & the General Fund		512,738	-
Transfers between Renewal & Repair Fund & CAA to finance Capital Expenditure	12	(416,041)	-
<b>At 31 March</b>		<b>1,940,789</b>	<b>-</b>

### e Other Balances & Reserves

Other Balances & Reserves	Notes	31/03/2016	31/03/2015
		£	£
At 1 April		2,789,173	-
Transfers between statutory & other reserves & the General Fund		1,195,964	-
Other (Tullyvar movement)			
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	12	(480,072)	-
<b>At 31 March</b>		<b>3,505,065</b>	<b>-</b>

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.

**f 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	31/03/2016	31/03/2015
		£	£
At 1 April		2,867,074	-
Applied Capital Grants	3	(3,184,673)	-
Unapplied Capital Grants received in year	3	(399,700)	-
Direct Revenue Financing	3, 12	(1,193,600)	-
Depreciation and Impairment adjustment	3	3,865,156	-
Statutory Provision for financing Capital Investment	3	(1,371,124)	-
Net Revenue expenditure funded from capital under statute			
	3, 12	-	-
Surplus/(Deficit) on the Provision of Services	CIES	4,092,741	87,935
Transfers between Statutory and Other Reserves and the General Fund		(2,811,252)	-
Net movements on Pension Reserve	3, 20	1,298,396	-
Disposal of Property, Plant and Equipment/Capital Sales	3, 11	(5,591)	-
Difference between finance and other costs and income calculated on an accounting		131,684	42,763
Other Movements		(323,534)	-
<b>At 31 March</b>		<b>2,965,577</b>	<b>130,698</b>



**24 Unusable 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 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	31/03/2016	31/03/2015
		£	£
At 1 April		84,984,728	-
Applied Capital Grants	3	3,184,673	-
Unapplied Capital Grants transferred to CAA in year		1,018,865	-
Direct Revenue Financing	3, 12	1,193,600	-
Depreciation & Impairment adjustment	11	(3,865,156)	-
Statutory Provision for financing Capital Investment	3	1,371,124	-
Net Revenue expenditure funded from Capital under statute	3, 12	-	-
Disposal of Property, Plant and Equipment/ Capital Sales	3, 11	(35,834)	-
Capital Receipts used to finance capital expenditure	3, 12	8,000	-
Other Movements		988,493	-
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	12	1,465,323	-
At 31 March		90,313,816	-

#### b Financial Instruments Adjustment Account

The Council has no transactions that would require use of this account.

#### c 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 Account.

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 in the) 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	31/03/2016	31/03/2015
			£	£
At 1 April			17,192,334	-
Revaluation & Impairment		11, 20	4,945,781	-
Tullyvar revaluation			126,458	-
Other Movements			(988,493)	-
At 31 March			21,276,080	-

#### d Available for Sale Financial Instruments Reserve

The Council has no transactions that would require use of this account.

#### e Pension Reserve

Pension Reserve		Notes	31/03/2016	31/03/2015
			£	£
At 1 April			(17,552,950)	-
Net Movements on Pension Reserve		3, 20	(1,298,396)	-
Revaluation & Impairment		11, 20	4,881,346	-
At 31 March			(13,970,000)	-

#### f Deferred Capital Receipts Account

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

Capital Receipts Deferred Account	Notes	31/03/2016	31/03/2015
		£	£
At 1 April		545,557	-
Release of amount received during year		(27,754)	-
<b>At 31 March</b>		<b>517,803</b>	<b>-</b>

#### g 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	31/03/2016	31/03/2015
		£	£
At 1 April		(553,400)	-
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		(131,684)	(42,763)
<b>At 31 March</b>		<b>(685,084)</b>	<b>(42,763)</b>

#### h Provisions Discount Rate Reserve

The Provisions Discount Rate Reserve covers the arrangement, put in place by the Department under its amendment to the 2012/13 accounts direction (see DOE circular 28/2013), 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 over a 6 year period. Included within other movements is a reduction of £138k being a charge to general fund as a result of the mitigation in 2012/13. The balance remaining in this reserve as a result of the mitigation is £276k.

In 2015-16, following guidance from the Council's Treasury Advisors, the council amended the discount rate used in the calculation of its landfill provisions, in line with National Loans Fund rates. This has been accounted for as a change in estimate and has resulted in a decrease in the provisions for Drummeemore and Glassmullagh of £213,099 which is included in other movements.

Provisions Discount Rate Reserve	Notes	31/03/2016	31/03/2015
		£	£
At 1 April		(414,836)	-
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		351,288	-
Other Movements			-
<b>At 31 March</b>		<b>(63,548)</b>	<b>-</b>

## **i Landfill Regulations Reserve**

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

The Department of the Environment's accounts direction provides an option to spread costs for the affected landfill sites, creating a negative reserve within the financial statements of the particular council.

The approved costs and period of time are those agreed between the council and the Department's Environment Policy Division in conjunction with the Northern Ireland Environment Agency. The Council does not have a Landfill Regulation Reserve at 31 March 2016.

## **25 Agency Services**

Fermanagh and Omagh District Council provides a Regional Property Certificate service on behalf of all 11 Councils following the transfer of this service to the Council from the Department for Communities (previously Department of the Environment) on 01 April 2015. The cost of providing this service in 15-16 was £337k. Income received during the year on behalf of the 11 councils amounted to £1,237k. Amounts due to other councils at 31 March 2016 in respect of the Regional Property Certificates is £635k and is included within Note 18. Transactions relating to this service are not included in the financial statements.

## **26 Related Party Transactions**

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

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

Fermanagh & Omagh District Council appointed Councillors to the boards and committees of 66 various bodies ranging from local groups such as Fermanagh Enterprise Limited and Omagh Independent Advice Services to national groups such as Northern Ireland Amenity Council and the Northern Ireland Local Government Association. During the year the Council had financial transactions with 18 of these bodies.

Councillors have direct control over the Council's financial and operating policies. In the 2015/16 financial year the Council commissioned £1,688,365 of works and services from companies in which Councillors have an interest. The Council entered into these contracts in full compliance with the Council's standing orders and codes of conduct. Included in this sum are the transactions with Tullyvar Landfill. Those payments over £1,000 are detailed in table below.

Tullyvar Landfill disposal site is jointly owned by Fermanagh & Omagh District Council and Mid Ulster District Council. During the year Fermanagh & Omagh District Council paid £1,648,744 in disposal charges and landfill tax and contributions to environmental bodies. A further £216,197 was outstanding at 31 March 2016.

In addition, Fermanagh & Omagh District Council paid the Western Education and Library Board £1,807 for room hire, bus hire and printing. The Western Education and Library Board, in turn, paid Fermanagh & Omagh District Council £113,641 for rent, commercial and trade waste charges, hire of leisure centre facilities and for costs in relation to Omagh Youth Centre and the Bawnacre centre.

The Council also paid grants of £558,380 to a number of organisations in which Councillors and Council officers had an interest. These grants were made with proper consideration of declaration of interests. Those payments over £1,000 are detailed in the table below.

Also included in grants is £70,000 paid to Fintona Regeneration Initiative in grant aid during 2015/16 from which Fermanagh & Omagh District Council deducted £12,125 as repayment of a loan.

During 2015/16, Fermanagh & Omagh District Council had actual expenditure of £881,072 to other Councils with a further £738,962 (see note 17a) outstanding at 31 March 2016. The Council received £87,563 from other Councils with a further £341,378 (see note 15b) outstanding at 31 March 2016. These amounts relate mainly to services provided.

The Council was a member of the SWaMP2008 Joint Committee which was established for the purposes of managing waste. During the year, the Council accrued £82,428 towards the winding up costs of the Joint Committee.

Fermanagh & Omagh District Council also paid organisations/groups a total of £3,396,551 whereby a Director/Head of Service appointed as a member of the Management Committee. Those payments over £1,000 are detailed in the table below.

Fermanagh & Omagh District Council made the following payments to organisations that Councillors and/or Directors/HoS were on the Management Committee.

Organisation	Total Paid During 1516 £	Services	Grants	Amount owed	Amount owed
				from at 31 March 2016	to at 31 March 2016
Culmore O'Kane Residents Association	2,110	-	2,110	455	650
Dromore Education & Community P'ship	31,027	-	31,027	-	7,700
Fermanagh Citizens Advice Bureau	140,237	-	140,237	-	24,487
Fermanagh Lakeland Tourism	144,156	26,614	117,542	3,745	10,294
Fintona Regeneration Initiative Ltd	70,103	103	70,000	-	470
ICBAN	10,000	-	10,000	-	-
NI Amenity Council	2,590	2,590	-	-	-
South West Age Partnership	2,785	1,650	1,135	1,097	2,701
Omagh Independent Advice Services	107,729	-	107,729	-	14,134
Omagh Safer Streets	31,260	10	31,250	-	25,000
Trillick Enterprise Leisure Ltd	40,584	145	40,439	-	-
Tullyvar Landfill Joint Committee	1,648,745	1,648,745	-	-	216,196
Mega Granite Ltd	2,880	2,880	-	-	-
Men Shed	1,153	480	673	-	607
Altamuskin Community Association	1,000	-	1,000	-	210
Goodwill Gifts support group Ederney	1,043	-	1,043	-	-
Education Authority - Western Region	1,807	1,807	-	3,024	909
NILGOSC	3,396,551	3,396,551	-	-	100,943

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Accounts Authorised for the Issue Certificate

In accordance with International Accounting Standard 10, Events after the Balance Sheet Date (IAS 10), this Statement of Accounts which contains a number of minor amendments from the Accounts signed on 15 June 2016 are at today's date hereby authorised for issue.

IAS 10 sets out

- The period during which an entity should adjust its financial statements for events after the balance sheet date as being the period between the date the financial statements were prepared and the date of this authorisation; and
- In the event of adjustments the disclosures that should be made.

Signed   
\_\_\_\_\_  
Chief Financial Officer

Date 21/9/16.