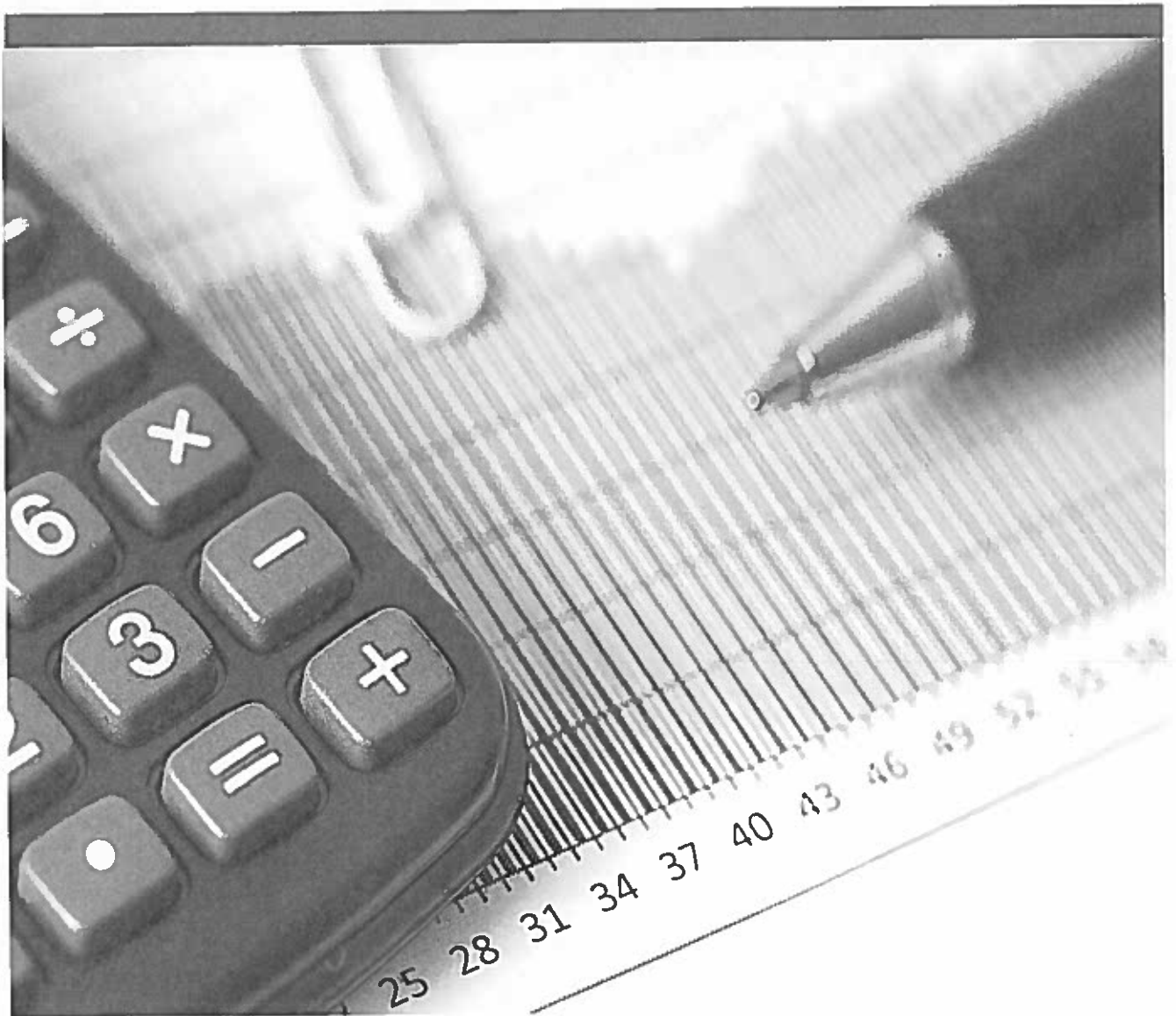




Fermanagh & Omagh  
District Council  
Comhairle Ceantair  
Fhear Manach agus na hÓmaí

## Audited Statement of Accounts Year Ended 31 March 2017





## Fermanagh and Omagh District Council

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## **Narrative Report**

### **Introduction**

The Council launched its first Community Plan in February 2017 with the vision for 2030 being: "a welcoming, shared and inclusive Fermanagh and Omagh district where people and places are healthy, safe, connected and prosperous and where our outstanding natural, built and cultural heritage is cherished and sustainably managed".

The Council undertook a review of its Corporate Plan 2015-19 and agreed to update its Corporate Vision and Values to align those set out in the Community Plan. The Corporate Plan Update 2017-19 aligns the remaining corporate plan actions for 2015-19 to the community planning outcomes and also introduces an additional outcome relating to the Council itself.

A review of the Council's progress against its Corporate Plan including performance improvement targets will be included in the Council's Annual Report for 2016-17 which will be published on the Council's website.

The Council's financial performance for the year ended 31st March 2017 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 2017 (the Code) and the Department for Communities Accounts Direction, Circular LG 10/2017. 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 2016/17 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 it 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 Councils 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 site which is accounted for as a joint venture.

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

This Statement, as set out on page 21, 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 22, 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 23, shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

## The Cash Flow Statement

The Cash Flow Statement, as set out on page 24, 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 2017, the Council increased its General Fund reserve by £104,642 to £3,070,219. This increase is after allocations, deducted from the surplus of the year, of £1,226,424 direct financing of capital expenditure: £2,025,000 to the Capital Fund; £1,489,750 to the Renewal and Repairs Fund and £1,000,000 to other earmarked reserves. The Council's budget of £34m was supplemented by £82k additional District Rates income. The total net operating expenditure reported in the Comprehensive Income and Expenditure Statement is £32,321,897 which includes exceptional income of £1m in respect of the Drummee Landfill site contract dispute.

Fermanagh and Omagh District Council provides a Regional Property Certificate service on behalf of all Councils following transfer of this service from the Department for Communities (DfC) on 01 April 2015. Transactions relating to this service including the Transferred Functions Grant received from the DfC are not included in the financial statements but are disclosed in Note 23.

A summary of the actual income and expenditure (i.e. excluding technical accounting adjustments) for 2016-17 compared with the Estimates for the year is shown below. Variances have arisen due to efficiency savings in a number of areas, underspends due to the timing of delivery of programmes in connection with external funding, additional income generated and other reserve provisions made.

	Actual £	Estimated £	Variance £
Expenditure	42,171,682	44,307,918	2,136,236
Income from services	(12,981,950)	(11,098,957)	1,882,993
Net Cost	29,189,732	33,208,961	4,019,229
Add Transfers to/from Reserves	4,514,750	524,750	3,990,000
Net Expenditure after Transfers	33,704,482	33,733,711	29,229
Financed by:			
Grant:			
De-rating Grant	(1,642,315)	(1,649,639)	(7,324)
Transferred Functions Grant	(156,714)	(156,714)	-
Rates Support Grant	(1,541,979)	(1,541,979)	-
Total Grant	(3,341,008)	(3,348,332)	(7,324)
District Rates	(30,468,116)	(30,385,379)	82,737
Surplus/(Deficit)	104,642	-	104,642

### 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. Full detail included within Note 19.

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:

	2016/17
	£
Current service cost	3,802,000
Past service cost/(gain)	57,000
<b>Net operating expenditure:</b>	<b>3,859,000</b>
Interest cost	3,812,000
Expected return on scheme assets	(3,401,000)
<b>Net charges to the Comprehensive Income and Expenditure Statement</b>	<b>4,270,000</b>

The loss of £10.08m resulting from the measurement of the net defined liability 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.

### Joint Operation - Tullyvar Landfill Site

Tullyvar Joint Committee is a landfill site jointly owned and managed by the Council and Mid Ulster District Council on equal ownership share basis. The Council's share of the Tullyvar Committee assets, liabilities, revenue and expenses were previously accounted for as a Joint Venture. Following changes in the CIPFA Code of Practice as a result of amendments to IFRS 11 Joint Arrangements the Joint Committee is now considered to be a Joint Operation. To ensure compliance with accounting standard IFRS 11 Joint Arrangements the Council's share of Tullyvar income and expenditure is included within Environmental Services reporting line in the Comprehensive Income and Expenditure Account and the Council's rights to assets and obligations for liabilities are included in the relevant reporting lines on the Balance Sheet. The comparative year figures have been restated. There is no impact on the General Fund balance or the Council's net worth as a result of this restatement. A summary of the Council's share of Tullyvar Landfill site is detailed in Note 25 and details of the Prior Year Restatement is included in Note 27.

### Provisions

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. The provisions are detailed in Note 17 to the financial statements.

### Capital Expenditure

The Council incurred gross expenditure of £1.96m for capital purposes during the year. This is summarised as follows:-

	2016/17
	£
Additions to Property, Plant & equipment under construction	£1,562,605
Vehicles, fixtures and fittings, Plant and equipment	£400,497
<b>TOTAL</b>	<b>£1,963,102</b>

The most significant spends on the capital programme in 2016-17 were Enniskillen Castle development £452k; vehicles and equipment £400k; Drummeeliff Landfill Site cell development £348k; West End Community Centre £264k; Environmental Improvement Scheme at Old Market Place, Omagh £145k, Multi Use Games Area (MUGA) at Bellanaleck £121K and an extension to Greenhill Cemetery £96k.

Details of the financing of capital expenditure for the year are shown in Note 11.

Indexation has been applied to non-current assets values to update the asset register to take account of the general movement only in market values of Land and Property and Building costs. The surplus on indexation of non-current assets of £2.05m is included in the Comprehensive Income and Expenditure Statement and the Revaluation Reserve.

### Capital Programme 2017/18

In February 2017, the Council approved the estimates Income & Expenditure for 2017/18. The estimates include a Capital Programme for the Council of £9.19m to be funded as follows:

Grants	£2,747,500
Borrowing	£3,167,500
Revenue Financing	£640,000
Reserves	£2,634,000
<b>TOTAL</b>	<b>£9,189,000</b>

### Borrowing Position

The total outstanding on loans at 31 March 2017 is £10.30m. The cost of servicing loans during the financial year was £1.76m. The Council previously acquired assets on hire purchase. The cost of servicing the Council's hire purchase agreements during the year was £226k and the balance outstanding at 31 March 2017 is £351k.

## 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 audited accounts were approved by \_\_\_\_\_ on \_\_\_\_\_

### 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 for Communities.

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

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

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

The Chief Financial Officer is also required to:

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



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

### **ANNUAL GOVERNANCE STATEMENT**

#### **Scope of Responsibility**

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

Fermanagh and Omagh District Council also has a duty under Local Government (Best Value) Act (Northern Ireland) 2002 to make arrangements for continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

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

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables 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 Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Fermanagh and Omagh District Council for the year ended 31 March 2017.

## 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.

The 'Fermanagh and Omagh 2030 Community Plan' is the overarching, long-term strategy for the district. The Council's Corporate Plan sets out, in the medium term, how the Council will contribute to the achievement of the community planning outcomes and also sets the framework for development of the annual Service Delivery and Improvement Plans within the Council. The Community Plan was developed following significant consultation and in its role as lead partner, in February 2017, the Council agreed the Vision and Outcomes set out in the Community Plan for the district. Alongside this, the Council undertook a review of its Corporate Plan 2015-19 and agreed to update its Corporate Vision and Values to align with those set out in the Community Plan. A Corporate Plan Update 2017-19, which is available to view on the council's website ([www.fermanaghomagh.com](http://www.fermanaghomagh.com)) was agreed and published during the year. This aligns the remaining corporate actions for 2015-19 to the community planning outcomes and also introduces an additional outcome relating to the Council itself. The Community Plan was formally launched to the public in March 2017 and copies have been widely distributed. The Corporate Plan Update 2017-19 is issued to all consultees on the Council's consultee database and copies are available to the public at key Council facilities. Internal communication channels have 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 been provided to all staff.

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

Fermanagh and Omagh District Council has reviewed its vision as part of the process to develop and agree the Community Plan for the district and has undertaken a significant review of its Corporate Plan, resulting in the production of a Corporate Plan Update 2017-19, which ensures strategic alignment between both key strategies. Elected members receive performance reports setting out progress towards delivery of the Corporate Plan twice annually with an Annual Report published in September each year.

### 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 2016/17, the Council developed three corporate strategies, Customer Service Strategy; Community Engagement & Involvement Strategy and a Communications Strategy. The strategies 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. These were subject to public consultation for equality impact assessment. A composite Action Plan has been developed which sets out the corporate objectives and actions focussed on the delivery of high quality services for customers to meet their needs and this will be implemented during 2017-18. This work includes:

- undertaking Citizens Satisfaction Surveys and community consultations and where appropriate;
- setting corporate customer service standards to be achieved which includes two-way communications channels and
- ensuring that services are accessible to all.

Performance indicators will be established to measure the outcomes from the implementation of these strategies. In addition, the Council is taking forward Project Citizen which is a programme of work which aims to develop a council-wide customer service culture; develop a programme of staff development to enable staff to acquire new customer focussed skills to enhance efficient service delivery to customers; demonstrate the achievements of continuous improvement and; where applicable, deploy innovative technology to support citizen engagement with the Council.

During 2016-17 a number of short APSE-developed Citizens Satisfaction Surveys have been undertaken. The Council also has in place 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 specific customer satisfaction/comments recording processes in place. The feedback received from all these sources is used to inform service delivery and improvements.

**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. All Members were issued with a copy of the Constitution as part of their induction.

The Code of Conduct for Councillors sets out the principles and rules of conduct which councillors must observe. Councillors have a personal responsibility to ensure that they are familiar with, and understand their obligations under the Code.

The Principles are intended to promote the highest possible standards of behaviour for councillors. The Rules are the practical application of the principles with Councillors required to observe both the Rules and Principles. Councillors are required to confirm that they have read and will observe the Code of Conduct.

Council meetings are managed in accordance with the Council's Standing Orders. The Lead Legal Services Officer/Council Solicitor provides advice and guidance to Members and Officers on the implementation of the Code of Conduct, Standing Orders and Planning Protocol when required. A legal representative attends the monthly Planning Committee meetings, Council meetings and other Committee meetings in an advisory capacity as required. The Council also maintains Registers of Interests which has been completed by all Members and senior Council Officers in accordance with best practice and these are kept under regular review.

In January 2015 the Council adopted the Code of Conduct for Local Government Employees as outlined in Circular LGRJF/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 particularly 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 Code of Conduct Awareness Training for all staff in February 2017, and 4 Corporate Induction Programmes for new employees – which specifically includes information on the Code of Conduct. A copy of the Code of Conduct for Employees is included in the employee induction pack as well as being provided on the Employee Intranet.

**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.

Any changes to the Constitution or Planning Protocol are approved by the Council and 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 request.

The Council's 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.

The Council's Corporate Risk register is developed and reviewed by senior management and reported to the Audit Panel. The minutes of the Audit Panel are reported through the Policy and Resources Committee to the Council. Internally, Departmental Risk Registers have been developed and these are regularly reviewed and updated by Departmental Risk Management Teams and reported through to Senior Management Team to inform the Council's Corporate Risk Register.

As part of the Council's assurance framework, Directors and Heads of Service are required to assess the adequacy of the risk management regime within their Directorates and to provide assurance statements which serve to inform the overall governance statement.

**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 alongside the Council's arrangements to secure continuous improvement in its functions.

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 and 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 has 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 and Omagh District Council and is charged with ensuring the lawfulness and financial prudence of decision-making; providing advice and guidance and ensuring that expenditure is lawful. The Council ensured that professional advice on matters that had legal or financial implications is available and properly considered with the legal advisors in attendance at meetings (including planning meetings), if deemed necessary.

Each Director and 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's Chief Executive has ultimate responsibility for generally securing compliance within the organisation.

**9 Whistleblowing and for receiving and investigating complaints from the public.**

Fermanagh and Omagh District Council has a Fraud and Corruption Policy and a Whistleblowing Policy both of which were reviewed, updated and approved by the Council in 2016/17.

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, and promote transparency and to underpin the Council's approach to risk management.

The Council's Fraud and Corruption Policy and Whistleblowing Policy are provided to all new employees as part of the induction process. Fraud awareness training has been scheduled for 2017-18.

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. An Internal audit review of Customer Service (Complaints and Feedback) was completed during the year and work on the recommendations is ongoing.

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

Elected Members are informed of the mandatory training they are required to undertake in order to fulfil their role as Councillors as part of the induction process. 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 discretionary training they can avail of, which includes Presentation Skills, Chairing of Meetings etc. which they can voluntarily undertake. If Members identify any specific individual training needs they wish to address these are noted and arrangement made through the Council's Democratic Services' function.

Members 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.

The Council has agreed to participate in the Elected Members Development Charter and to support this work. It is proposed in the forthcoming year to undertake further structured assessment of Members' Learning and Development Needs both from a corporate and individual perspective.

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 also has a Corporate Learning & Development Plan (2016-18) which identifies the corporate learning and development needs of employees and the proposals to address these.

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

Council and Committee meetings are open to the public and are recorded. The agendas and associated papers, audio recordings and minutes of the meetings are available on the Council's website [www.fermanaghmagh.com](http://www.fermanaghmagh.com).

The Council's corporate strategies in the areas of Customer Service, Community Engagement & Involvement Strategy and Communications place significant emphasis on citizen involvement in the Council's decision-making process, communicating with the public and on customer satisfaction with service delivery. These were subject to public consultation for equality impact assessment.

The Local Government Act (NI) 2014 provides the Council with a general power of competence enabling it to take any action it considered appropriate provided the action was not prohibited by any other legislation. Councils have been provided with the ability to act in their own interests and to develop innovative approaches to addressing issues in their district.

### Review of Effectiveness

Fermanagh and 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. As outlined earlier, the Council, during the year has taken steps to strengthen its governance processes. The review of effectiveness is informed by the work of the senior managers within Fermanagh and 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 any relevant comments made by the external auditors.

Internal Audit is responsible for monitoring the quality and effectiveness of systems of internal control. During 2016/17, 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 Directors and Heads of Service to consider annually the adequacy of risk management arrangements, internal controls and wider governance issues within their service areas. It also provides information on the level of compliance with the various elements of the Council's Governance Framework. The Heads of Services and Directors are required to monitor, and keep under review, the operation of internal controls, within their area, and to implement changes that are deemed necessary.

The Audit Panel provides an independent assurance report to the Council on the adequacy of the Council's risk management framework and associated control environment. It also 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 2016/17 and satisfactorily discharged its programme of work.

### 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 and 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:

The Brexit decision creates considerable uncertainties and risks which may affect a number of different aspects of the Council's business. An initial assessment indicates that these may include changes to legislation influencing Council activities; impact on funding sources supporting programme and project delivery; issues related to the movement of people around the border which may affect staffing and district visitors; other cross border working arrangements. The level of uncertainty in respect of these changes is an ongoing risk so the Council will actively engage in relevant forums in order to monitor and report on developments on a timely basis to inform Council planning and decision making.

The Council is also subject to financial risks regarding the adequacy of its budgets in the context of the continuing uncertainty about Central Government budgets that impact on Local Government. The Council will monitor and assess the impact of these through existing financial management and budgetary planning processes.

We propose, over the coming year, to consider what further steps can be taken to address the above matters and to further enhance our governance arrangements. We will continue to monitor these risks and take appropriate remedial actions and will report as part of our next annual review.

Signed   
Brendan Hegarty  
Chief Financial Officer

Date 26 September 2017

Signed   
Councillor Anne Marie Fitzgerald

Date 26 September 2017

On behalf of the Policy and Resources Committee of Fermanagh and Omagh District Council.



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

### **REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2017**

#### **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 then 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.

A consolidated document on Guidance and determinations on Councillors' Allowances applicable from 1 April 2017 were issued by the Department for Communities on January 2017. The determinations and rates have been updated in LG 03/2017. 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 & Omagh District Council had 40 councillors in 2016/17.

##### **SENIOR EMPLOYEES**

The remuneration of senior employees employed by the Council is determined by the Council in line with that determined by the National Joint Council (NJC) for Local Government Services. Senior staff are those staff who are members of the Executive Management Team/Senior Management Team.

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

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

## ALLOWANCES PAID TO COUNCILLORS

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

**Table 1: Total Allowances paid to councillors (audited information)**

Allowance	2016/17		2015/16	
	Total Allowances £	Number of Councillors receiving the Allowance	Total Allowances £	Number of Councillors receiving the Allowance
Basic Allowance	569,403	42	567,998	40
Special Responsibility	25,162	18	24,840	14
Chairperson/Deputy Mayor	10,000	2	10,000	1
Vice Chairperson/ Deputy	5,000	2	5,000	1
Mileage Allowance	74,270	35	75,338	36
PCSP Attendance Allowance	6,960	9	5,340	15
Subsistence	1,465	16	1,090	19
Courses/ Conferences Visits	15,142		6,288	
Dependents' Carers	431	1	-	
<b>TOTAL ALLOWANCES</b>	<b>707,833</b>		<b>695,894</b>	

Details of the allowances paid to individual councillors in 2016/17 are published on the council website at [www.fermanaghmagh.com/your-council/councillors-expenses](http://www.fermanaghmagh.com/your-council/councillors-expenses).

The above allowances do not include Employer Costs - these are shown in Note 6.

## REMUNERATION OF SENIOR EMPLOYEES (audited information)

The remuneration of senior employees covers the Senior Management Team. The following table provides details of the remuneration paid to senior employees in 2016/17:

Officers	2016/17				2015/16			
	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100) £'000	Total £'000	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100) £'000	Total £'000
Brendan Hegarty	106,000	-	-	106,000	108,000	-	-	108,000
Alison McCullagh	81,000	-	-	81,000	78,000	-	-	78,000
Robert Gibson	81,000	-	-	81,000	78,000	-	-	78,000
Kevin O'Gara	81,000	-	-	81,000	78,000	-	-	78,000
Joan McCaffrey (left 31/12/16)	61,000 (81,000)	-	-	61,000 (81,000)	78,000	-	-	78,000
Celine McCartan (Appointed 07/02/17)	12,000 (78,000)	-	-	12,000 (78,000)	0	-	-	0



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

The banded remuneration of the highest paid member of the Senior Management Team in the financial year 2016/17 was £100k - £110k. This was 5 times the median remuneration of the workforce, which was £20,400.

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

	2016/17	2015/16
Salary Band of Highest Paid member of the Executive	£100- £110k	£100- £110k
Median Total Remuneration	£20,400	£20,000
Ratio	05:01	05:01

In 2016/17, no employees received remuneration in excess of the highest paid member of the Senior Management Team.

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

**Salary**

"Salary" includes gross salary, overtime, and any gratia payments.

**Bonus Payments**

Bonus payments are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. There were no bonuses paid in 2016/17.

**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 2016/17, 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 2016/17 (audited information)**

Severance Package Cost Band	2016/17				2015/16			
	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000
£0 - £20,000						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	91,938		1	1	87,898
£100,001 - £150,000						5	5	619,823
£150,001 - £200,000						2	2	340,943
<b>Total</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>91,938</b>	<b>0</b>	<b>21</b>	<b>21</b>	<b>1,595,872</b>

## Pension Benefits

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

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

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

The Scheme is funded by contributions made by both employees/councillors and employers. Prior to 1 April 2009, a member's contribution rates were fixed at 6% of their pensionable remuneration (except for those who were entitled to contribute to the Scheme at 5% before 1 February 2003 and have remained in continuous employment). Tiered member contribution rates, determined by the whole-time equivalent rate of pay, were introduced from 1 April 2009. From 1 April 2015, the member contribution rates are determined on the actual rate of pay.

The ranges for the bands for tiered contribution rates are revised by the Department for Communities in April each year in accordance with the increase applied to a pension in payment. The bands, effective from 1 April 2016, 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 2016/17 was £108,397.

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 2016/17 (audited information)**

Officers	Accrued Pension at pension age as at 31/3/17	Real increase in pension and related lump sum at pension age	CETV at 31/3/17	CETV at 31/3/16	Real Increase in CETV
Brendan Hegarty	40,566	1,545	685,824	643,993	27,040
Alison McCullagh	21,676	3,061	272,391	245,166	17,900
Robert Gibson	28,593	2,988	596,395	565,090	18,781
Kevin O'Gara	33,129	3,588	703,681	672,566	17,517
Joan McCaffrey	37,799	2,707	775,409	724,904	45,043
Celine McCarlan *	23,691	23,691	2,310	-	1,323

\*Joined Pension Scheme 07/02/2017

**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**

I certify that:

- (a) the Statement of Accounts for the year ended 31st March 2017 on pages 21 to 84 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 25 to 47.
  
- (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 2017.

Chief Financial Officer



Date 26 September 2017

**Council Approval of Statement of Accounts**

These accounts were approved by resolution of the Council/Committee on

Chairman Anne Marie Fitzgerald

Date 26 September 2017.

## **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 2017 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 the 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 2016-17, of the financial position of Fermanagh and Omagh District Council as at 31 March 2017 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 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 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 2017 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 2016-17 ;
    - 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

28 September 2017

Fermanagh and Omagh District Council

Movement In Reserves Statement for the year ended 31 March 2017

	General Fund Summary	Other Fund Balances and Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£	£	£	£	£	£
<b>Balance as at 01 April 2015 *</b>	<b>2,867,074</b>	<b>6,278,342</b>	<b>132,115</b>	<b>9,277,531</b>	<b>84,201,433</b>	<b>93,478,964</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>4,092,741</b>	<b>-</b>	<b>-</b>	<b>4,092,741</b>	<b>9,953,585</b>	<b>14,046,326</b>
Adjustments between accounting basis & funding under regulations	(1,053,241)	(2,199,461)	33,425	(3,219,277)	3,219,277	-
<b>Net increase before transfers to Statutory and Other Reserves</b>	<b>3,039,500</b>	<b>(2,199,461)</b>	<b>33,425</b>	<b>873,464</b>	<b>13,172,862</b>	<b>14,046,326</b>
Transfers to / from Statutory and Other Reserves	(2,941,000)	2,941,000	-	-	-	-
<b>Increase/ Decrease In year</b>	<b>98,500</b>	<b>741,539</b>	<b>33,425</b>	<b>873,464</b>	<b>13,172,862</b>	<b>14,046,326</b>
<b>Balance as at 31 March 2016 **</b>	<b>2,965,574</b>	<b>7,019,881</b>	<b>165,540</b>	<b>10,150,995</b>	<b>97,374,295</b>	<b>107,525,290</b>
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	2,919,381	-	-	2,919,381	-	2,919,381
Other Comprehensive Income and Expenditure	-	-	-	-	(7,923,756)	(7,923,756)
<b>Total Comprehensive Income and Expenditure</b>	<b>2,919,381</b>	<b>-</b>	<b>-</b>	<b>2,919,381</b>	<b>(7,923,756)</b>	<b>(5,004,375)</b>
Adjustments between accounting basis & funding under regulations	1,978,692	510,061	39,995	2,528,748	(2,528,748)	-
<b>Net increase before transfers to Statutory and Other Reserves</b>	<b>4,898,073</b>	<b>510,061</b>	<b>39,995</b>	<b>5,448,129</b>	<b>(10,452,504)</b>	<b>(5,004,375)</b>
Transfers to / from Statutory and Other Reserves	(4,793,431)	4,793,431	-	-	-	-
<b>Increase In year</b>	<b>104,642</b>	<b>5,303,492</b>	<b>39,995</b>	<b>5,448,129</b>	<b>(10,452,504)</b>	<b>(5,004,375)</b>
<b>Balance as at 31 March 2017</b>	<b>3,070,216</b>	<b>12,323,373</b>	<b>205,535</b>	<b>15,599,124</b>	<b>86,921,791</b>	<b>102,520,915</b>

\* Balance after Local Government Reform Transfer

\*\* Restated - see Note 27 for details

Fermanagh and Omagh District Council

Comprehensive Income and Expenditure Statement for the year ended 31 March 2017

Service Expenditure	Notes	2016/17			2015/16 (Restated)		
		Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Leisure and Recreational Services	2	15,153,988	(3,466,462)	11,687,526	13,724,654	(3,690,198)	10,034,456
Environmental Services	2	17,776,804	(3,731,578)	14,045,226	17,065,623	(2,667,083)	14,398,540
Planning and Development Services	2	7,132,643	(3,699,200)	3,433,443	6,923,242	(3,158,239)	3,765,003
Highways and Transport Services	2	583,105	(1,022,719)	(439,614)	473,533	(909,334)	(435,801)
DRM and Corporate Management	2	2,911,342	(22,808)	2,888,534	2,663,685	(9,881)	2,653,804
Other Services	2	939,447	(654,932)	284,515	2,093,547	(564,158)	1,529,389
<b>Cost of Services on Continuing Operations</b>		<b>44,497,329</b>	<b>(12,597,699)</b>	<b>31,899,630</b>	<b>42,944,284</b>	<b>(10,998,893)</b>	<b>31,945,391</b>
Other Operating Expenditure	7		(24,675)	(24,675)		(5,591)	(5,591)
Financing and Investment Income and Expenditure	8	1,028,611	(581,669)	446,942	1,192,385	(616,552)	575,833
<b>Net Operating Expenditure</b>		<b>45,525,940</b>	<b>(13,204,043)</b>	<b>32,321,897</b>	<b>44,136,669</b>	<b>(11,621,036)</b>	<b>32,515,633</b>
Taxation and Non-Specific Grant Income	9	-	(35,241,278)	(35,241,278)	-	(36,608,374)	(36,608,374)
<b>Surplus/(Deficit) on the Provision of Services</b>		<b>45,525,940</b>	<b>(48,445,321)</b>	<b>2,919,381</b>	<b>44,136,669</b>	<b>(48,229,410)</b>	<b>4,092,741</b>
Surplus/(Deficit) on revaluation of non-current assets	10			2,162,561			5,072,239
Remeasurements of the Net Defined Benefit Liability (Asset)	19			(10,086,317)			4,881,346
<b>Other Comprehensive Income and Expenditure</b>				<b>(7,923,756)</b>			<b>9,953,585</b>
<b>Total Comprehensive Income and Expenditure</b>				<b>(5,004,375)</b>			<b>14,046,326</b>



Fermanagh and Omagh District Council  
Balance Sheet as at 31 March 2017

	Note	31st March 2017	31st March 2016 (Restated)	1st April 2015 (Restated)
		£	£	£
Fixed Assets	10	122,836,885	123,571,841	115,440,356
Long Term Debtors	14	1,076,123	1,280,064	1,343,199
<b>LONG TERM ASSETS</b>		<b>123,913,008</b>	<b>124,851,905</b>	<b>116,783,555</b>
Inventories	13	508,214	401,954	452,768
Short Term Debtors	14	6,873,508	5,296,592	11,739,966
Cash and Cash Equivalents	21	18,004,794	14,659,162	9,309,876
Assets Held for Sale	10	52,318	35,249	61,750
<b>CURRENT ASSETS</b>		<b>25,438,834</b>	<b>20,392,957</b>	<b>21,564,360</b>
Bank Overdraft	21	175	175	450
Short Term Borrowing	15	1,467,124	1,433,294	1,327,232
Short Term Creditors	16	6,498,858	6,535,965	8,686,669
Provisions	17	131,937	50,000	125,807
<b>CURRENT LIABILITIES</b>		<b>8,098,094</b>	<b>8,019,434</b>	<b>10,140,158</b>
Provisions	17	4,439,151	4,528,299	4,643,859
Long Term Borrowing	15	9,179,682	10,295,301	11,471,221
Other Long Term Liabilities	19	25,114,000	14,876,538	18,613,713
<b>LONG TERM LIABILITIES</b>		<b>38,732,833</b>	<b>29,700,138</b>	<b>34,728,793</b>
<b>NET ASSETS</b>		<b>102,520,915</b>	<b>107,525,290</b>	<b>93,478,964</b>
<b>USABLE RESERVES</b>				
Capital Receipts Reserve	22	205,535	165,540	132,115
Capital Grants Unapplied Account	22	1,166,362	419,777	1,038,942
Capital Fund	22	3,071,071	1,139,475	606,135
Renewal and Repairs Fund	22	3,443,334	1,940,789	1,844,092
Other Balances and Reserves	22	4,642,606	3,519,840	2,789,173
General Fund	22	3,070,216	2,965,574	2,867,074
		15,599,124	10,150,995	9,277,531
<b>UNUSABLE RESERVES</b>				
Capital Adjustment Account	23	87,903,117	90,299,044	84,984,728
Revaluation Reserve	23	24,328,973	21,276,080	17,192,334
Pensions Reserve	23	(25,114,000)	(13,970,000)	(17,552,950)
Capital Receipts Deferred Account	23	491,461	517,803	545,557
Accumulated Absences Account	23	(762,491)	(685,084)	(553,400)
Provisions Discount Rate Reserve	23	74,731	(63,548)	(414,836)
		86,921,791	97,374,295	84,201,433
<b>NET WORTH</b>		<b>102,520,915</b>	<b>107,525,290</b>	<b>93,478,964</b>

Fermanagh and Omagh District Council  
Cash Flow Statement at 31 March 2017

	Note	2016/17	2015/16 (Restated)
		£	£
Net Surplus/(Deficit) on the provision of services		2,919,381	4,092,741
Adjustment for non-cash movements		5,095,582	9,356,850
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		(1,418,259)	(3,625,798)
<b>Net cash flows from operating activities</b>	<b>21</b>	<b>6,596,704</b>	<b>9,823,793</b>
Cash flows from Investing Activities	21	(1,061,963)	(3,103,108)
Net Cash flows from Financing Activities	21	(2,189,109)	(1,371,124)
<b>Net increase or decrease in cash and cash equivalents</b>		<b>3,345,632</b>	<b>5,349,561</b>
Cash and cash equivalents at the beginning of the reporting period		14,658,987	9,309,426
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>18,004,619</b>	<b>14,658,987</b>

**Fermanagh and Omagh District Council**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**1 Accounting Policies**

**a General Principles**

The Statement of Accounts summarises the Council's transactions for the 2016/17 financial year and its position at the year-end of 31 March 2017. The Council is required to prepare an annual Statement of Accounts in a form directed by the Department for Communities in accordance with regulations 3 (7) and (8) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and the Service Reporting Code of Practice 2016/17 (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 2016/17 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) **Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than 365 days from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

iii) **Contingent Assets**

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

iv) **Contingent Liabilities**

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

v) **Employee Benefits**

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

### **Termination benefits**

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to Non Distributed Costs included within '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. Council employees who transferred from Central Government on 1st April 2015 as a result of Local Government reform, are covered by the provisions of the Principal Civil Service Pension Scheme Northern Ireland (PCSPS (NI)).

### **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 high quality corporate bonds of equivalent term and currency to the Council's Fund liabilities determined using the constituents of the iBoxx Sterling Corporate 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
- utilised 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.

#### **Principal Civil Service Pension Scheme Northern Ireland (PCSPS (NI))**

Council employees who transferred from Central Government on 1st April 2015 as a result of Local Government reform, are covered by the provisions of the Principal Civil Service Pension Scheme Northern Ireland (PCSPS (NI)). The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. The department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS (NI). In respect of the defined contribution schemes, the department recognises the contributions payable for the year.

**vi) 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.

**vii) 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.

**viii) 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.



ix) **Financial Instruments**

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

**Financial Liabilities**

Amortised Cost

**Financial Assets**

Loans and Receivables

Available for Sale

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

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

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

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

## **Financial Assets**

Financial assets are classified into two types:

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

## **Loans and Receivables**

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

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 District Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

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

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

### **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.

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain/loss is recognised in the Surplus or Deficit on Revaluation of Available-for-Sale Financial Assets. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain or loss for the asset accumulated in the Available-for-Sale Reserve.

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 (fixed or determinable payments) or fair value falls below cost, 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. If the asset has fixed or determinable payments, 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. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gains and losses that arise on the de-recognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains or losses previously recognised in the Available-for-Sale Reserve.

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

x) **Foreign Currency Translation**

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

xi) **Government Grants and Contributions**

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

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

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

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

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

**xii) Intangible Assets**

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

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

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

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

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

**xiii) Inventories & Long Term Contracts**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the FIFO/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.

xiv) **Investment Property**

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

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

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

xv) **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.

xvi) **Leases**

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

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

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

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

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

Lease payments are apportioned between:

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

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

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

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

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

### **The Council as Lessor - Finance 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 council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

#### ***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.

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

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



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

Assets that are to be decommissioned i.e. abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of, or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

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

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

#### xviii) **Overheads and Support Services**

The costs of overheads 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 2016/17 (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.

#### xix) **Property, Plant and Equipment**

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

## **Recognition**

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

## **Measurement**

Assets are initially measured at cost, comprising:

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

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

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

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

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

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

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

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

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

### **Impairment**

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

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

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

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

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

### **Depreciation**

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

Depreciation is calculated on the following bases:

Plant and equipment (excluding IT equipment, carpark plant and equipment) – depreciated on historic cost using a standard life 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 as advised by a suitably qualified officer.

Infrastructure Assets - depreciated on a straight line allocation over a range of 10 to 20 years depending on the type of asset.

Buildings, installations and fittings - depreciated on their historical 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 Operations**

A joint operation is one whereby parties have rights to assets and obligations for liabilities of a joint arrangement.

The Council's interest in Tullyvar Landfill is accounted for as a joint operation. The Council's share of the income and expenditure of Tullyvar is included within the Comprehensive Income and Expenditure Statement in line 'Environmental Services' and the Council's share of the assets, liabilities and reserves are included in the relevant lines in the Balance Sheet.

xx)

### **Heritage Assets**

Heritage Assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. Heritage Assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historic associations. They would be held by this authority in pursuit of our overall objectives in relation to the maintenance of heritage.

The majority of the Council's Heritage Assets are held in Enniskillen Castle which has two collections of heritage assets which are held in support of its primary objective 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.

xxi) **Provisions**

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

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

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

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

xxii) **Reserves**

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

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

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

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

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

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

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

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

**xxv) 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.

**xxvi) 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**

Paragraph 3.3.2.13 of the 2016/17 Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code. Paragraph 3.3.4.3 requires an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year. The additional disclosures that will be required in the 2016/17 and 2017/18 financial statements in respect of accounting changes that are introduced in the 2017/18 Code (ie that are relevant to the requirements of paragraph 3.3.4.3) are:

- Amendment to the reporting of pension fund scheme transaction costs
- Amendment to the reporting of investment concentration (see paragraph 6.5.5.1 (m) of the 2017/18 Code) 31.

These amendments are not applicable to the Council.



**c Critical Judgements in Applying Accounting Policies**

In applying accounting policies set out from 1a below the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

**(i) Landfill**

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

**(ii) Pension Liability**

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.

The approximate impact of changing key assumptions on the present value of the funded defined benefit obligation a at 31 March 2017 and the projected service cost for the year ending 31 March 2018 is set out in note 19.

Fermanagh and Omagh District Council  
Notes to the Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2017

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 for Communities' Accounts Direction.

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

Services	2016/17			2015/16 (Restated)		
	Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Culture and Heritage	2,399,163	(351,948)	2,047,215	2,357,590	(332,549)	2,025,041
Recreation and Sport	9,633,703	(2,296,223)	7,337,480	8,515,090	(2,458,705)	6,056,385
Tourism	1,956,203	(507,841)	1,448,362	1,848,159	(645,842)	1,202,317
Community Services	1,164,919	(310,450)	854,469	1,003,815	(253,102)	750,713
<b>Leisure and Recreational Services</b>	<b>15,153,988</b>	<b>(3,466,462)</b>	<b>11,687,526</b>	<b>13,724,654</b>	<b>(3,690,198)</b>	<b>10,034,456</b>
Cemetery, Cremation & Mortuary	435,842	(33,016)	402,826	385,117	(36,685)	348,432
Environmental Health	3,262,146	(1,486,273)	1,775,873	3,431,839	(1,623,341)	1,808,498
Flood Defence and Land Drainage	-	-	-	-	-	-
Public Conveniences	653,822	(198)	653,624	591,478	(165)	591,313
Licensing	208,648	(62,035)	146,613	108,737	(71,043)	37,694
Other Cleaning	2,086,251	(5,443)	2,080,808	1,786,916	(6,809)	1,780,107
Waste Collection	4,607,582	(443,877)	4,163,705	4,480,167	(249,008)	4,231,159
Waste Disposal*	5,307,823	(1,225,900)	4,081,923	4,359,682	(189,266)	4,170,416
Share of fullyvar Operating Income and Expenditure	298,024	(412,610)	(114,586)	484,888	(337,095)	147,793
Other Community Assets	545,498	(33,491)	512,007	974,830	(34,774)	940,056
Minor Works	371,168	(28,735)	342,433	461,969	(118,897)	343,072
<b>Environmental Services</b>	<b>17,776,804</b>	<b>(3,731,578)</b>	<b>14,045,226</b>	<b>17,065,623</b>	<b>(2,667,083)</b>	<b>14,398,540</b>
Community Planning	213,551	-	213,551	197,555	(1,000)	196,555
Economic Development	1,668,128	(1,136,314)	531,814	2,272,596	(764,261)	1,508,335
EU Rural Development	273,153	(201,026)	72,127	280,155	(212,444)	67,711
Urban Regeneration and Community Development	1,742,353	(334,824)	1,407,529	1,052,276	(257,031)	795,245
Planning Policy	655,807	11,297	667,104	643,279	(1,894)	641,385
Development Control	1,218,743	(1,299,133)	(80,390)	1,138,274	(1,063,927)	74,347
Building Control	1,223,310	(728,059)	495,251	1,215,660	(854,796)	360,864
Environmental initiatives	137,598	(11,141)	126,457	123,447	(2,886)	120,561
<b>Planning and Development Service</b>	<b>7,132,643</b>	<b>(3,699,200)</b>	<b>3,433,443</b>	<b>6,923,242</b>	<b>(3,158,239)</b>	<b>3,765,003</b>
Off-street Parking Services	583,105	(1,022,719)	(439,614)	473,533	(909,334)	(435,801)
<b>Highways and Transport Services</b>	<b>583,105</b>	<b>(1,022,719)</b>	<b>(439,614)</b>	<b>473,533</b>	<b>(909,334)</b>	<b>(435,801)</b>
Democratic Representation and Management	1,432,655	(15,403)	1,417,252	1,412,439	(9,821)	1,402,618
Corporate Management	1,478,687	(7,405)	1,471,282	1,251,246	(60)	1,251,186
<b>DRM and Corporate Management</b>	<b>2,911,342</b>	<b>(22,808)</b>	<b>2,888,534</b>	<b>2,663,685</b>	<b>(9,881)</b>	<b>2,653,804</b>
Trading Services	-	-	-	-	-	-
Non Distributed Costs	89,576	(47,134)	42,442	1,273,738	-	1,273,738
Central Services to the Public	849,871	(607,798)	242,073	819,809	(564,158)	255,651
<b>Other Services</b>	<b>939,447</b>	<b>(654,932)</b>	<b>284,515</b>	<b>2,093,547</b>	<b>(564,158)</b>	<b>1,529,389</b>
<b>CONTINUING OPERATIONS</b>	<b>44,497,329</b>	<b>(12,597,699)</b>	<b>31,899,630</b>	<b>42,944,284</b>	<b>(10,998,893)</b>	<b>31,945,391</b>

\*Waste Disposal income includes exceptional income of £1m in respect of the Drummee Landfill site contract dispute.

**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

	2016/17	2016/17	2015/16	2015/16
	£	£	(Restated)	(Restated)
			£	£
<b>Net Cost of Services In Service Analysis</b>		31,899,630		31,945,391
<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				
<b>Cost of Services on Continuing Operations In the Comprehensive Income and Expenditure Statement</b>		31,899,630		31,945,391
<b>Items Included in Net Operating Expenditure excluded from Service Analysis:</b>				
Other Operating Expenditure	(24,675)		(5,592)	
Financing and Investment Income and Expenditure	446,942		575,833	
		422,267		570,241
<b>Net Operating Expenditure per the Comprehensive Income and Expenditure</b>		32,321,897		32,515,632

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

	Notes	2016/17		2015/16 (Restated)	
		£	£	£	£
<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	10	-		68,283	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	10	(294,186)		(2,013,437)	
Depreciation charged in the year on non-current assets	10	5,176,007	4,881,821	5,940,055	3,994,901
Derecognition of Finance Lease	11		200,775		-
Carrying amount of non current assets sold	7,23	15,320		35,835	
Proceeds from the sale of PP&E, investment	20	(39,995)	(24,675)	(41,425)	(5,590)
Net charges made for retirement benefits in accordance with IAS 19	19		4,270,000		4,790,000
Direct revenue financing of Capital Expenditure	11,23		(1,226,424)		(1,193,600)
Capital Grants and Donated Assets Receivable and Applied in year	9		(419,793)		(3,184,673)
Capital Grants Receivable and Unapplied in year	9		(1,012,361)		(399,700)
Adjustments in relation to Short-term compensated absences	16		77,407		131,684
Adjustments in relation to Lessor Arrangements	5		26,342		27,754
Provisions Discount Rate Reserve Adjustment	23		(138,279)		(351,288)
<b>Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year</b>					
Statutory Provision for the financing of Capital Investment	11,23		(1,443,804)		(1,371,124)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	19		(3,212,317)		(3,491,605)
			1,978,692		(1,053,241)

	Notes	2016/17		2015/16 (Restated)	
		£	£	£	£
<b>Net transfers (to)/from statutory and other earmarked reserves:</b>					
<b>Capital Fund</b>					
Interest		(11,596)		(3,016)	
Other	22	(2,025,000)	(2,036,596)	(1,099,534)	(1,102,550)
<b>Renewal and Repairs Fund</b>					
Interest		(12,795)		(7,527)	
Other	22	(1,489,750)	(1,502,545)	(505,211)	(512,738)
<b>Other Funds and earmarked reserves</b>					
Interest		(8,180)		(6,377)	
From Other funds		(246,110)		18,045	
Other	22	(1,000,000)	(1,254,290)	(1,337,380)	(1,325,712)
			(4,793,431)		(2,941,000)

#### 4 Cost of Services on Continuing Operations

##### a General power of competence

Prior to Local Government Reform on 1st April 2015, expenditure for special purposes was limited under Section 40 of the Local Government Finance Act (Northern Ireland) 2011. This section was repealed by Schedule 10 of the Local Government Act (Northern Ireland) 2014.

Under Section 79 of the Local Government Act (Northern Ireland) 2014, the Council has the power to do anything that individuals generally may do. Councils have the power to do this with or without charge. The power of competence is not limited to benefiting the area or its residents nor is it limited by existing powers.

The Actual Expenditure under the power of competence amount to £0 during 2016/17 (£0 in 2015/16).

##### b External Audit Fees

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

	2016/17	2015/16
	£	£
External Audit Fees	50,625	31,000
Other Fees	1,201	-
	51,826	31,000

The audit fees for 2016/17 include the financial audit fees and the improvement and assessment audit fees. There were no other fees payable in respect of any other services provided by the appointed auditor over and above those described (2015/16 £0).

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	2016/17	2015/16
	£	£
<b>Long Term Debtors</b>		
Finance leases- gross receivables	466,459	491,461
<b>Net Present Value</b>	<b>466,459</b>	<b>491,461</b>
<b>Short Term Debtors</b>		
Finance leases- gross receivables	25,002	26,342
<b>Net Present Value</b>	<b>25,002</b>	<b>26,342</b>
<b>Gross receivables from finance leases</b>		
No later than 1 year	25,002	26,342
Later than 1 year and no later than 5 years	87,920	92,633
Later than 5 years	378,539	398,828
<b>Total gross receivables</b>	<b>491,461</b>	<b>517,803</b>
<b>Net investment in finance leases</b>	<b>491,461</b>	<b>517,803</b>

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

	2016/17	2015/16
	£	£
No later than 1 year	25,002	26,342
Later than 1 year and no later than 5 years	87,920	92,633
Later than 5 years	378,539	398,828
<b>Total gross receivables</b>	<b>491,461</b>	<b>517,803</b>

The unguaranteed residual values of the assets leased under finance leases at the end of the year are estimated at £0 (15/16 £0).

The accumulated allowance for uncollectable minimum lease payments receivable is £0 (15/16 £0).

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 £358,950. No contingent rents were recognised.

The lease terms are between 1 and 99 years. Future minimum lease income is set out below:

	2016/17		2015/16	
	Land and Buildings £	Investment Properties £	Land and Buildings £	Investment Properties £
<b>Minimum lease rentals receivable:</b>				
No later than 1 year	-	276,614	-	326,968
Later than 1 year and no later than 5 years	-	324,397	-	217,517
Later than 5 years	-	394,289	-	110,341
	-	995,300	-	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:

	2016/17		2015/16	
	Land and Buildings £	Investment Properties £	Land and Buildings £	Investment Properties £
Cost	5,358,263	4,354,700	5,173,855	4,420,500
Accumulated depreciation and impairments at 1 April	(511,028)	-	(324,339)	-
Depreciation charge for the year	(181,426)	-	(176,798)	-
Impairments	114,317	(1,988,850)	(177,490)	(65,800)
	4,780,126	2,365,850	4,495,228	4,354,700

Council as Lessee

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

The Council's vehicles are held under finance leases. The net carrying amount of the vehicles held under finance lease arrangements is £526,264 (2015/16 £686,066). The assets are included under Vehicles, Plant & Equipment which form an integral part of property, plant and equipment (see Note 10g-leased assets). The rentals paid for vehicles held under finance leases totalled £213,964 (2015/16 £242,291).

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 and IT equipment 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.

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>2016/17</b>				
Finance leases payments	369,801	-	-	369,801
Less: finance charges	(18,296)	-	-	(18,296)
<b>Net present value</b>	<b>351,505</b>	<b>-</b>	<b>-</b>	<b>351,505</b>

<b>2015/16</b>				
Finance leases payments	289,459	600,040	402,500	1,291,999
Less: finance charges	(32,084)	(64,393)	(31,609)	(128,086)
<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:	2017 £	2016 £	2015 £
Current liabilities	351,505	257,375	-
Long term liabilities	-	906,538	-
<b>Total</b>	<b>351,505</b>	<b>1,163,913</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:

	2016/17		2015/16	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Minimum lease payments	-	30,790	-	23,390
<b>Total</b>	<b>-</b>	<b>30,790</b>	<b>-</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:

	2016/17		2015/16	
	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	-	26,916	-	28,024
Later than 1 year and no later than 5 years	-	53,627	-	54,615
Later than 5 years	-	-	-	-
<b>Total</b>	<b>-</b>	<b>80,543</b>	<b>-</b>	<b>82,639</b>



6 Employee Costs and Member Allowances		
a Staff Costs		
	2016/17	2015/16
	£	£
Salaries and Wages	17,484,065	17,797,618
Employers NIC	1,386,998	955,822
Employers Superannuation	3,300,168	3,169,348
<b>Total staff costs</b>	<b>22,171,231</b>	<b>21,922,788</b>

In addition, agency costs during the year amounted to £298,544 (15/16 £278,505). □

The Council's current contribution rate to NILGOSC scheme is 20%. At the last actuarial valuation, dated 31 March 2016, the Fund's assets as a whole were sufficient to meet 82.6% of the liabilities accrued up to that date.

Average Number of Employees - where FTE represents fulltime equivalent employees

b Average Number of Employees		
	2016/17	2015/16
	FTE	FTE
Leisure and Recreation Services	162	161
Environmental Services	301	302
Planning and Development Services	122	114
Other	105	98
<b>Total Number</b>	<b>690</b>	<b>675</b>

	2016/17	2015/16
	Actual Numbers	Actual Numbers
Full-time numbers employed	647	645
Part-time numbers employed	215	215
<b>Total Number</b>	<b>862</b>	<b>860</b>

c Senior Employees' Remuneration		
	2016/17	2015/16
	£	£
£50,001 to £60,000	10	9
£60,001 to £70,000	1	-
£70,001 to £80,000	-	4
£80,001 to £90,000	3	-
£90,001 to £100,000	-	-
£100,001 to £110,000	1	1
£110,001 to £120,000	-	-
<b>Total Number</b>	<b>15</b>	<b>14</b>

d Members' Allowances		
	2016/17	2015/16
	£	£
Basic allowance	569,403	567,998
Mayor's & Deputy Mayor's Allowance	15,000	15,000
Special Responsibility Allowances	25,162	24,840
Dependents' carers allowance	431	-
PCSP Attendance Allowance	6,960	5,340
Employer costs	152,409	144,247
Mileage	74,270	75,338
Conferences and Courses	15,142	6,288
Travel & Subsistence Costs	8,425	1,090
Miscellaneous Costs	428	220
<b>Total</b>	<b>867,630</b>	<b>840,361</b>

**e Northern Ireland Civil Service Pension Arrangements**

As a result of Reform on 1st April 2015, staff transferred from Central Government to the Council are members of the Northern Ireland Civil Service Pension Scheme.

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Department for Communities is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31/03/2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DOF Superannuation and Other Allowances Resource Accounts as at 31 March 2017.

For 2016-17, employers' contributions of £268,236 were payable to the NICS pension arrangements at one of four rates in the range 20.8% to 26.3% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31/03/2015 was completed by the Actuary during 2016-17. 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 2016-17 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)**

	2016/17	2015/16
	£	£
Proceeds from sale	(39,995)	(41,425)
Carrying amount of non-current assets sold (excl Investment Properties)	15,320	35,833
	(24,675)	(5,592)

Other Operating Expenditure	2016/17	2015/16
	£	£
(Surplus) / Deficit on Non Current Assets	(24,675)	(5,592)
	(24,675)	(5,592)

## B Financing and Investment Income and Expenditure

### a Interest Payable and Similar Charges

	2016/17	2015/16
	£	£
Lease/hire purchase interest	32,476	35,330
Bank charges	-	8,173
Government Loan interest	585,135	652,882
	617,611	696,385

### b Interest and Investment Income

	2016/17	2015/16
	£	£
Bank interest/Charges Refunded	43,647	32,960
Employee car loan interest	6	30
Investment income on Fund Balances		
Capital Fund	11,596	3,016
Repairs & Renewals Fund	12,795	7,527
Other Funds	8,180	6,377
Other Investment Income	13,658	12,246
	89,882	62,156

### c Pensions interest costs

	2016/17	2015/16
	£	£
Net interest on the net defined benefit liability (asset)	411,000	496,000
	411,000	496,000

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

	2016/17	2015/16
	£	£
Income/Expenditure from Investment Properties:		
Income including rental income	(295,787)	(349,018)
Net income from investment properties	(295,787)	(349,018)
Changes in Fair Value of Investment Properties	(196,000)	(205,378)
	(491,787)	(554,396)

Financing and Investment Income and Expenditure	2016/17			2015/16		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Interest Payable and Similar Charges	617,611	-	617,611	696,385	-	696,385
Interest and Investment Income	-	(89,882)	(89,882)	-	(62,156)	(62,156)
Pensions interest cost	411,000	-	411,000	496,000	-	496,000
Other investment income	-	(295,787)	(295,787)	-	(349,018)	(349,018)
Changes in Fair Value of Investment Properties	-	(196,000)	(196,000)	-	(205,378)	(205,378)
	1,028,611	(581,669)	446,942	1,192,385	(616,552)	575,833

9 Taxation and Non Specific Grant Income

a Revenue Grants

	2016/17	2015/16
	£	£
General	(3,341,008)	(3,416,059)
	<u>(3,341,008)</u>	<u>(3,416,059)</u>

b Capital Grants and Donated Assets - Applied

	2016/17	2015/16
	£	£
Government & Other Grants - Conditions met and applied in year	(365,903)	(3,184,673)
Donated Assets - Conditions met	(53,890)	-
	<u>(419,793)</u>	<u>(3,184,673)</u>

c Capital Grants - Unapplied

	2016/17	2015/16
	£	£
Government & Other Grants - Conditions met and not applied in year	(1,012,361)	(399,700)
	<u>(1,012,361)</u>	<u>(399,700)</u>

d District Rates

	2016/17	2015/16
	£	£
Current year	(30,468,116)	(29,607,942)
	<u>(30,468,116)</u>	<u>(29,607,942)</u>

Taxation and Non Specific Grant Income	2016/17	2015/16
	£	£
District Rate income	(30,468,116)	(29,607,942)
Revenue Grants	(3,341,008)	(3,416,059)
Capital Grants and Contributions	(1,432,154)	(3,584,373)
	<u>(35,241,278)</u>	<u>(36,608,374)</u>

Fermanagh and Omagh District Council  
Notes to the Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2017

10 Long Term Assets

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 2016</b>	17,969,619	91,641,030	5,135,036	2,658,141	14,185,625	1,571,780	3,352,791	318,001	<b>136,832,023</b>	1,613,656	6,766,050	100,000	-	<b>145,311,729</b>
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2016</b>	<b>17,969,619</b>	<b>91,641,030</b>	<b>5,135,036</b>	<b>2,658,141</b>	<b>14,185,625</b>	<b>1,571,780</b>	<b>3,352,791</b>	<b>318,001</b>	<b>136,832,023</b>	<b>1,613,656</b>	<b>6,766,050</b>	<b>100,000</b>	-	<b>145,311,729</b>
Additions	-	-	-	-	400,497	-	1,562,605	-	<b>1,963,102</b>	-	-	-	-	<b>1,963,102</b>
Donations	-	50,890	-	-	-	-	-	-	<b>50,890</b>	3,000	-	-	-	<b>53,890</b>
Revaluation increases/ (decreases) to Revaluation Reserve	200,000	1,618,966	-	41,604	-	-	-	10,000	<b>1,870,570</b>	-	-	-	-	<b>1,870,570</b>
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	-	347,638	-	-	-	-	-	9,500	<b>357,138</b>	-	196,000	-	-	<b>553,138</b>
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(236,256)	-	-	-	<b>(236,256)</b>	-	-	-	-	<b>(236,256)</b>
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	310,000	2,394,961	54,846	-	-	-	(700,020)	-	<b>2,059,787</b>	-	(2,060,000)	-	-	<b>(213)</b>
Reclassified to (-) / from (+) Held for Sale	(20,640)	-	-	-	(455,747)	-	-	-	<b>(456,382)</b>	-	-	-	-	<b>(456,382)</b>
<b>Balance as at 31 March 2017</b>	<b>18,458,979</b>	<b>96,053,485</b>	<b>5,189,882</b>	<b>2,699,745</b>	<b>13,914,124</b>	<b>1,571,780</b>	<b>4,215,376</b>	<b>337,501</b>	<b>142,440,872</b>	<b>1,616,656</b>	<b>4,902,050</b>	<b>100,000</b>	-	<b>149,059,578</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 2016</b>	-	8,999,389	948,395	511,914	10,799,404	480,787	-	-	<b>21,739,889</b>	-	-	-	-	<b>21,739,889</b>
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2016</b>	-	<b>8,999,389</b>	<b>948,395</b>	<b>511,914</b>	<b>10,799,404</b>	<b>480,787</b>	-	-	<b>21,739,889</b>	-	-	-	-	<b>21,739,889</b>
Depreciation Charge	-	3,731,842	259,494	131,524	1,003,597	49,550	-	-	<b>5,176,007</b>	-	-	-	-	<b>5,176,007</b>
Depreciation written out on Revaluation Reserve	-	(40,257)	-	7,217	-	-	-	-	<b>(33,040)</b>	-	-	-	-	<b>(33,040)</b>
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	-	-	-	-	(231,507)	-	-	-	<b>(231,507)</b>	-	-	-	-	<b>(231,507)</b>
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	(428,656)	-	-	-	<b>(428,656)</b>	-	-	-	-	<b>(428,656)</b>
<b>Balance as at 31 March 2017</b>	-	<b>12,690,974</b>	<b>1,207,889</b>	<b>650,655</b>	<b>11,142,838</b>	<b>530,337</b>	-	-	<b>26,222,693</b>	-	-	-	-	<b>26,222,693</b>

**Net Book Values**

Balance as at 31 March 2017	18,450,979	83,362,511	3,981,993	2,049,090	2,771,286	1,041,443	4,215,376	337,501	116,218,179	1,616,656	4,902,050	100,000	-	122,856,865
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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	2,488,002	13,628,794	1,568,766	5,794,354	438,256	123,593,444	1,597,105	5,967,600	100,000	-	131,258,149
Adjustments between cost/value & depreciation/impairment	-	-	-	-	7,878	334	-	-	8,212	-	-	-	-	8,212
<b>Balance as at 1 April 2015</b>	17,649,217	78,335,858	3,690,197	2,488,002	13,636,672	1,569,100	5,794,354	438,256	123,601,656	1,597,105	5,967,600	100,000	-	131,266,361
Additions (Note 11)	-	-	-	28,909	793,253	-	6,232,036	-	7,054,198	9,282	-	-	-	7,063,480
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/decreases to Revaluation Reserve	-	4,915,512	-	141,230	-	-	-	23,000	5,079,742	7,269	-	-	-	5,087,011
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	-	1,804,059	-	-	-	-	-	4,000	1,808,059	-	205,378	-	-	2,013,437
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	(6,933)	-	-	-	(218,337)	-	-	-	(225,270)	-	-	-	-	(225,270)
Derecognition - Other	-	214,756	-	-	-	-	(68,283)	-	146,473	-	-	-	-	146,473
Reclassifications & transfers	327,335	6,370,845	1,444,839	-	13,800	2,680	(8,605,316)	(147,255)	(593,072)	-	593,072	-	-	-
Reclassified Int- / from(+) Held for Sale	-	-	-	-	(39,762)	-	-	-	(39,762)	-	-	-	-	(39,762)
<b>Balance as at 31 March 2016</b>	17,969,619	91,641,030	5,135,036	2,658,141	14,185,626	1,571,780	3,352,791	318,001	136,832,024	1,613,656	6,768,050	100,000	-	145,311,730

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	367,397	9,247,312	430,903	-	-	15,817,793	-	-	-	-	15,817,793
Adjustments between cost/value & depreciation/impairment	-	-	-	-	7,878	334	-	-	8,212	-	-	-	-	8,212
<b>Balance as at 1 April 2015</b>	-	5,080,538	691,643	367,397	9,255,190	431,237	-	-	15,826,005	-	-	-	-	15,826,005
Depreciation Charge	-	3,704,095	256,752	129,745	1,799,913	49,550	-	-	5,940,055	-	-	-	-	5,940,055
Depreciation written out on Revaluation Reserve	-	-	-	14,772	-	-	-	-	14,772	-	-	-	-	14,772
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)	-	-	-	(214,937)	-	-	-	-	(214,937)
Derecognition - Other	-	214,755	-	-	-	-	-	-	214,755	-	-	-	-	214,755
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	(40,762)	-	-	-	(40,762)	-	-	-	-	(40,762)
<b>Balance as at 31 March 2016</b>	-	8,999,388	948,395	511,914	10,799,404	480,787	-	-	21,739,888	-	-	-	-	21,739,888

#### Net Book Values

Balance as at 31 March 2016	17,969,619	82,641,642	4,186,641	2,146,227	3,386,222	1,090,993	3,352,791	318,001	115,092,136	1,613,656	6,766,050	100,000	-	123,571,842
Balance as at 31 March 2017	18,458,979	83,362,511	3,981,993	2,049,090	2,771,286	1,041,443	4,215,376	337,501	116,218,179	1,616,656	4,902,050	100,000	-	122,856,865

#### 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 2017, 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 carparks which transferred to the Council under Local Government Reform on 01 April 2015. These car parks have been included within the accounts at the value provided by the Department for Infrastructure (DI) who last carried out a full revaluation on 31 March 2013. It is the intention that these car parks will be included within the next full revaluation which is due to take place during 2017/18.



10 c Intangible Assets

The Council also owns an Intangible Assets which relate solely to market rights. The asset was valued at 01 April 2013 by an independent valuer from Land and Property Services. The asset is not amortised as it is considered to have an indefinite life.

Intangible Assets	31/03/2017	31/03/2016
	£	£
Market Trading Rights	100,000	100,000
	100,000	100,000

d Investment Properties

There were no additions, reclassifications, enhancements or transfers to investment properties during the year.

Investment Properties	31/03/2017	31/03/2016
	£	£
Rental income from Investment Activities	(295,787)	(349,018)
Net gain/(loss)	(295,787)	(349,018)

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 periodically.

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 Finagan 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 2016	35,249	-	35,249
Transferred from Non-Current Assets during year	27,640	-	27,640
<b>Balance as at 31 March 2017</b>	<b>52,318</b>	<b>-</b>	<b>52,318</b>
<b>Net Book Value</b>			
Balance as at 31 March 2017	52,318	-	52,318
Balance as at 31 March 2016	35,249	-	35,249

Assets Held for Sale	Current	Non-Current	Total
	£	£	£
<b>Cost or Valuation</b>			
Balance as at 1 April 2015	61,750	-	61,750
Transferred from Non-Current Assets during year	2,000	-	2,000
<b>Balance as at 31 March 2016</b>	<b>35,249</b>	<b>-</b>	<b>35,249</b>
<b>Impairment</b>			

The loss on assets classified to held for sale and sold during the year was £10,571 (2015/16 £2,101)

g Long-Term Assets - Leased Assets

	Vehicles £	Equipment £	TOTAL £
<b>Cost or Valuation</b>			
At 1 April 2016	2,763,348	-	2,763,348
At 31 March 2017	2,763,348	-	2,763,348
<b>Depreciation</b>			
At 1 April 2016	2,077,281	-	2,077,281
Provided for year	152,428	-	152,428
At 31 March 2017	2,229,709	-	2,229,709
<b>Net Book Value</b>	<b>533,639</b>	<b>-</b>	<b>533,639</b>

	Vehicles £	Equipment £	TOTAL £
<b>Cost or Valuation</b>			
At 1 April 2015	2,608,308	-	2,608,308
Additions	155,040	-	155,040
At 31 March 2016	2,763,348	-	2,763,348
<b>Depreciation</b>			
At 1 April 2015	1,831,466	-	1,831,466
Provided for year	245,815	-	245,815
At 31 March 2016	2,077,281	-	2,077,281
<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 2017 and 2016 are as follows:

2016/17 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	-	302,500	-	302,500
Market rental capitalisation	-	35,000	-	35,000
<b>Total</b>	<b>-</b>	<b>337,500</b>	<b>-</b>	<b>337,500</b>

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>-</b>	<b>318,000</b>	<b>-</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

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

Surplus Assets were revalued at 31 March 2017, 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 £9,500 (2015/16 £4,000), this was recognised under the Environmental Services in the Surplus or Deficit on the Provision of Services.

## Fair Value Hierarchy for Investment Properties

Details of the Council's Investment Properties and information about the fair value hierarchy as at 31 March 2017 and 2016 are as follows

Capital sales market comparables	-	2,421,200	-	2,421,200
Market rental capitalisation	-	1,180,850	-	1,180,850
Market rental capitalisation and capital sales market	-	1,300,000	-	1,300,000
2014/15 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	-	1,260,000	-	1,260,000
<b>Total</b>	<b>-</b>	<b>6,766,050</b>	<b>-</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.

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

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

The Council has an ongoing programme of capital works and the estimated cost of the 2017-18 schemes is as follows:

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.

### 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.

## 11 Capital Expenditure and Capital Financing

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.

<b>Capital Expenditure</b>		2016/17	2015/16 (Restated)	2014/15
		£	£	£
<b>Opening Capital Financing Requirement</b>		12,118,029	13,325,043	-
Property, Plant and Equipment	10	2,016,992	7,063,480	-
Derecognition of Finance Lease		200,775	-	-
<b>Sources of Finance</b>				
Capital Receipts		-	(8,000)	-
Government Grants and Other Contributions	9	(685,569)	(4,203,538)	-
Transfers from Earmarked Reserves		(105,000)	(1,494,232)	-
<b>Sums set aside from Revenue:</b>				
Direct Revenue Contributions		(1,226,424)	(1,193,600)	-
Minimum Revenue Provision **		(1,443,804)	(1,371,124)	-
<b>Closing Capital Financing Requirement</b>		<b>10,874,999</b>	<b>12,118,029</b>	<b>-</b>
<b>Explanation of Movements in Year</b>		2016/17	2015/16 (Restated)	2014/15
		£	£	£
Increase in underlying need to borrow		(1,443,805)	(1,354,054)	-
Assets acquired under finance leases		-	147,040	-
Increase/(decrease) in Capital Financing Requirement		(1,243,030)	(1,207,014)	-

## 12 Future Capital Commitments

The Council has an ongoing programme of capital works and the estimated cost of the 2017-18 schemes is as follows:

	Gross Cost £	Grant Aid £	Net Cost £
Schemes underway	2,656,000	1,100,000	1,556,000
Other Commitments	6,533,000	1,647,500	4,885,500
<b>Total</b>	<b>9,189,000</b>	<b>2,747,500</b>	<b>6,441,500</b>

## 13 Inventories

	2016/17 £	2015/16 £
Central Stores	329,938	215,620
Other	178,276	186,334
<b>Total</b>	<b>508,214</b>	<b>401,954</b>

The cost of inventories written down, recognised as an expense and included in 'services' amounted to £172.

## 14 Debtors

a Long Term Debtors	2016/17 £	2015/16 (Restated) £
Long Term Debtors - Tullyvar	531,743	714,139
Finance Lease Debtor	466,459	491,461
Other	77,922	74,463
<b>Total Long-Term Debtors</b>	<b>1,076,124</b>	<b>1,280,063</b>

b Short Term Debtors	2016/17 £	2015/16 (Restated) £
Government Departments	2,343,314	2,374,569
Other Councils	89,835	341,378
Bodies external to general government	-	8,102
Other Debtors - Tullyvar	913,734	467,434
Revenue Grants	65,525	11,182
Capital Grants	1,807,075	961,908
Interest Receivable	-	747
Capital Debtors	-	67,500
Value Added Tax	502,635	535,599
Prepayments	1,051,815	179,926
Finance lease debtors	25,002	26,342
Other	183,792	237,782
Trade receivables	492,569	686,148
Impairment loss - Trade receivables	(601,788)	(602,025)
<b>Total Short-Term Debtors</b>	<b>6,873,508</b>	<b>5,296,592</b>

**Total Debtors** 7,949,632 6,576,655

The increase in debtors is primarily due to the prepayment for assets that were not delivered until after the year end which also reflects in an increase in capital grants due.

## 15 Borrowings

a Short Term Borrowing	2016/17 £	2015/16 £
Loans re-payable within one year	1,115,619	1,175,919
Finance Lease Principal	351,505	257,375
<b>Total Short Term Borrowing</b>	<b>1,467,124</b>	<b>1,433,294</b>

b Long Term Borrowing	2016/17 £	2015/16 £
Between 1 and 2 years	1,131,981	1,115,619
Between 2 and 5 years	3,046,516	3,316,296
Between 5 and 10 years	2,017,530	3,776,367
In more than 10 years	2,983,655	2,087,019

**Government Loans Fund** 9,179,482 10,295,301

**Total Borrowing** 10,646,806 11,728,595

## 16 Creditors

a Short Term Creditors	2016/17 £	2015/16 (Restated) £
Government Departments	537,325	487,263
Other Councils	743,785	738,962
Capital Creditors	442,650	834,603
Loan Interest Payable	87,293	99,569
Other Creditors - Tullyvar	871,781	615,864
Remuneration due to employees	245,397	217,759
Accumulated Absences	762,491	685,084
Receipts in advance	535,580	399,061
Trade creditors	2,272,556	2,456,553
Other	-	1,247
<b>Total Short Term Creditors</b>	<b>6,499,809</b>	<b>6,535,965</b>

The creditor balance of 'Other Councils' includes £621k of amounts due to other Councils as the distribution of income regarding the Property Certificate Unit.

## b Payment of Invoices

The Council has a target of paying supplier invoices, where no other terms are agreed, is 30 days.

In 2016/17 the Council paid 18,882 invoices totalling £24,171,314 (2015/16 16,580 invoices totalling £24,760,471)

During the year the number of disputed invoices began to be recorded. For the period 1 October 2016 to 31 March 2017 136 were queried.

The Council paid:

16,487 (87%) invoices within the 30 day target;  
9,914 (53%) invoices within the 10 day target; and  
2,395 (13%) invoices outside of the 30 day target.

The average number of days taken to pay suppliers during the year was 19 days.

17 Provisions	Balance as at 1	Increase in provision		Other	Interest cost and/or	Balance as at 31
	April 2016	during year	Utilised during year			
	£	£	£	£	changes	£
Landfill Closure - Drummea	1,948,733	161,850		(46,580)	187,722	2,251,725
Landfill Closure - Glassmull	1,286,686	76,059	(13,909)	(52,313)	119,966	1,416,489
Landfill Closure - Mullaghm	120,000	65,105	(65,105)	-	-	120,000
Redundancy	327,083	91,937	(327,083)	-	-	91,937
Landfill Closure - Tullyvar	885,797		(58,726)	(136,134)		690,937
Other	10,000		(10,000)			-
<b>Total</b>	<b>4,578,299</b>	<b>394,951</b>	<b>(474,823)</b>	<b>(235,027)</b>	<b>307,688</b>	<b>4,571,088</b>
Current Provisions	50,000	157,042	(75,105)	-	-	131,937
Long Term Provisions	4,528,299	237,909	(399,718)	(235,027)	307,688	4,439,151
<b>Total</b>	<b>4,578,299</b>	<b>394,951</b>	<b>(474,823)</b>	<b>(235,027)</b>	<b>307,688</b>	<b>4,571,088</b>

Comparative Year						
Provisions	Balance as at 1	Increase in provision		Other	Interest cost and/or	Balance as at 31
	April 2015	during year	Utilised during year			
	£	£	£	£	changes	(Restated)
Landfill Closure - Drummea	1,853,129	209,904	-	42,629	(156,929)	1,948,733
Landfill Closure - Glassmull	1,344,284	35,466	(8,200)	(28,784)	(56,080)	1,286,686
Landfill Closure - Mullaghm	120,000	65,506	(65,506)	-	-	120,000
Redundancy	179,000	148,083	-	-	-	327,083
Landfill Closure - Tullyvar	1,187,446	39,711	(341,360)			885,797
Other	85,807		(75,807)			10,000
<b>Total</b>	<b>4,769,666</b>	<b>498,670</b>	<b>(490,873)</b>	<b>13,845</b>	<b>(213,009)</b>	<b>4,578,299</b>
Current Provisions	125,807	-	(75,807)	-	-	50,000
Long Term Provisions	4,643,859	498,670	(415,066)	13,845	(213,009)	4,528,299
<b>Total</b>	<b>4,769,666</b>	<b>498,670</b>	<b>(490,873)</b>	<b>13,845</b>	<b>(213,009)</b>	<b>4,578,299</b>

### Landfill Closure - Drummea

The Council has an operational landfill site at Drummea. At 31 March 2017, 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 Drummea is included in Other Debtors (Note 14). This adjustment is reflected in Other Movements. In 2016-17, the Council followed the clarification issued in annex B of Circular LG 10/17, in relation to discount rates to be used in the calculation of the landfill provision, and used the Council's Treasury Advisors and CIPFA's recommended discount rates, based on National Loans Fund borrowing rates, to value the 2016/17 landfill provision. These same rates were used to value the 2015/16 provision. The Northern Ireland Environment Agency (NIEA) has approved the provision calculations as at 31 March 2014. The calculations as at 31 March 2017 have been assessed and agreed with a qualified civil engineer (who is the Director of Environment and Place).

### Landfill Closure - Glassmullagh

The Council has a landfill site at Glassmullagh that has ceased operations. At 31 March 2017, 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 14). This adjustment is reflected in other movements. In 2016-17, the Council followed the clarification issued in annex B of Circular LG 10/17 and used the Council's Treasury Advisors and CIPFA's recommended discount rates, based on National Loans Fund borrowing rates to value the 2016/17 landfill provision. These same rates were used to value the 2015/16 provision. The Northern Ireland Environment Agency (NIEA) has approved the calculations as at 31 March 2014. The calculations as at 31 March 2017 has been assessed and agreed with a qualified civil engineer (who is the Director of Environment and Place).

### Landfill Closure - Mullaghmore

Ongoing costs have been incurred in dealing with the discharge of one of the Council's closed landfill sites. These costs are deemed substantial. A proposal has been prepared whereby the water going onto the 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.

### Landfill Closure - Tullyvar

Please refer to note 25.

10 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 (Exclusive of fully-occupied landfill site) and 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		295,327
Three to six months		4,067
Six months to one year		7,912
More than one year		194,356
		<b>501,662</b>

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

**Liquidity Risk**

As the Council has ready access to borrowings from the Department of Finance'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 Note 15. 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 investments. The Council is in receipt of loans from the Department of Finance, however these loans are at fixed concessionary interest rates that differ from the prevailing market rates.

**Foreign Exchange Risk**

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

**Fair Value of Soft Loans and Government Loans**

The Council is in receipt of loans from the Department of Finance at concessionary interest rates that differ from the prevailing market rates. The fair value of these loans is £12,968,972 broken down as follows:

	£
Government Loans	12,968,972
<b>Total</b>	<b>12,968,972</b>

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

Except for the financial assets carried at fair value (described in the table above) all other financial liabilities and financial assets held by the authority are classified as loans and receivables and long-term debtors and creditors and are carried in the Balance Sheet at amortised cost. The fair values calculated are as follows.

Financial Liabilities	Balance as at 31st March 2017		Balance as at 31st March 2016	
	£	£	£	£
Financial Liabilities held at amortised cost	13,426,226	12,968,972	15,199,384	14,455,015
PFI and finance lease liabilities	361,346	361,346	1,291,999	1,180,121
<b>Total</b>	<b>13,787,572</b>	<b>13,330,318</b>	<b>16,491,383</b>	<b>15,635,136</b>

The fair value of borrowings is lower than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the prevailing rates at the Balance Sheet date. This shows a notional future gain (based on economic conditions at 31 March 2017) arising from a commitment to pay interest to lenders below current market rates.

Financial Assets	Balance as at 31st March 2017		Balance as at 31st March 2016	
	£	£	£	£
Loans and Receivables	-	-	-	-
Long term debtors	544,381	544,381	565,924	565,924
<b>Total</b>	<b>544,381</b>	<b>544,381</b>	<b>565,924</b>	<b>565,924</b>

The fair value of the financial assets is the carrying amount because the Council's portfolio of long term debtors (note 14) Short term debtors and creditors are not disclosed above and are carried at cost as this is a fair approximation of their value.

Short-term debtors and creditors 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		31st March 2017		31st March 2016	
<b>Financial Liabilities</b>					
<b>Financial Liabilities held at amortised cost:</b>					
Loans/ borrowings	-	12,968,972	-	12,968,972	-
PFI and finance lease liabilities	-	361,346	-	361,346	-
<b>Total</b>	-	<b>13,330,318</b>	-	<b>13,330,318</b>	-
<b>Financial Assets</b>					
Loans and Receivables	-	544,381	-	544,381	-
<b>Total</b>	-	<b>544,381</b>	-	<b>544,381</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 ranges of interest rates at 31 March 2017 were based on appropriate rates provide to the Council.	- Estimated ranges of interest rates at 31 March 2017 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.	

**19 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

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	2016/17 £	2015/16 £
<b>Net cost of services:</b>		
Current service cost	3,802,000	3,812,000
Past service cost/(gain)	57,000	482,000
Net interest on net defined benefit liability (asset)	411,000	496,000
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>	<b>4,270,000</b>	<b>4,790,000</b>
<b>Movement in Reserves Statement:</b>		
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code	(4,270,000)	(4,790,000)
Employers' contributions payable to scheme	3,212,317	3,491,605
<b>Net charge to the General Fund</b>	<b>(1,057,683)</b>	<b>(1,298,395)</b>

The service cost figures include an allowance for administration expenses of 1.66%.

Revaluations recognised in Other Comprehensive Income and Expenditure	Note	2016/17 £	2015/16 £
Liability (gains)/losses due to change in assumptions		26,337,000	(4,535,000)
Liability (gains)/losses due to change in demographic assumptions		(812,000)	-
Liability experience (gains)/losses arising in the year		(1,831,000)	(696,000)
Actuarial (gains)/losses on plan assets		(13,618,000)	367,000
<b>Total gains/(losses) recognised in Other Comprehensive Income and Expenditure</b>		<b>10,076,000</b>	<b>(4,864,000)</b>

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

Reconciliation of present value of the scheme liabilities:	Note	2016/17 £	2015/16 £
Balance as at 1 April		113,379,000	112,261,000
Current service cost		3,802,000	3,812,000
Interest cost		3,812,000	3,559,000
Contributions by members		994,000	954,000
Re measurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		26,337,000	(4,535,000)
Actuarial gains/losses arising from demographic changes		(812,000)	-
Actuarial gains/losses arising on liabilities from experience		(1,831,000)	(696,000)
Past service costs/(gains)		57,000	482,000
Estimated benefits paid		(3,021,000)	(2,458,000)
Balance as at 31 March		<b>142,717,000</b>	<b>113,379,000</b>

Reconciliation of present value of the scheme assets:	Note	2016/17 £	2015/16 £
Balance as at 1 April		99,409,000	94,708,000
Interest income		3,401,000	3,063,000
Contributions by members		994,000	954,000
Contributions by employer		3,196,533	3,475,829
Contributions in respect of unfunded benefits		15,784	15,776
Re measurement gain/(loss)		13,618,000	(367,000)
Assets distributed on settlements		(10,317)	17,395
Benefits paid		(3,021,000)	(2,458,000)
Balance as at 31 March		<b>117,603,000</b>	<b>99,409,000</b>

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 £17.019m (2015/16 loss of £2.696m).

Fair Value of Plan Assets	31/03/2017 £	31/03/2016 £	31/03/2015 £
Equity investments	87,614,235	71,356,436	-
Bonds	13,524,345	12,008,524	-
Property	12,348,315	13,100,208	-
Cash	3,057,678	2,282,612	-
Other	1,058,427	496,220	-
	<b>117,603,000</b>	<b>99,244,000</b>	-

The above asset values are at bid value as required by IAS 19.

Details of estimates made by the Fund Manager when assessing the fair values of plan assets

The amounts included in the fair value of plan assets for property occupied by the Council was £0.

	31/03/2017 £	31/03/2016 £	31/03/2015 £
Fair Value of Employer Assets	117,603,000	99,409,000	-
Present value of funded defined benefit obligation	(143,056,000)	(113,677,000)	-
Pension asset/(liability) of Funded Scheme	(25,453,000)	(14,268,000)	-
Present Value of unfunded defined benefit obligation	339,000	298,000	-
<b>Net asset/(liability) arising from the defined benefit obligation</b>	<b>(25,114,000)</b>	<b>(13,970,000)</b>	-
Amount in the Balance sheet:			
Liabilities	(142,717,000)	(113,379,000)	-
Assets	117,603,000	99,409,000	-
<b>Net Asset/(Liability)</b>	<b>(25,114,000)</b>	<b>(13,970,000)</b>	-



d Scheme history

Analysis of scheme assets and liabilities	31/03/2017 £	31/03/2016 £	31/03/2015 £
Fair Value of Assets in pension scheme	117,603,000	99,409,000	-
Present Value of Defined Benefit Obligation	(142,717,000)	(113,379,000)	-
<b>Surplus/(deficit) in the Scheme</b>	<b>(25,114,000)</b>	<b>(13,970,000)</b>	<b>-</b>
<b>Amount recognised in Other Comprehensive Income and Expenditure:</b>	<b>31/03/2017 £</b>	<b>31/03/2016 £</b>	<b>31/03/2015 £</b>
Actuarial gains/(losses)	(10,076,000)	4,864,000	-
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	(10,317)	17,346	-
Remeasurements recognised in Other Comprehensive Income and Expenditure	(10,086,317)	4,881,346	-
Cumulative actuarial gains and losses	(5,204,971)	4,881,346	-
<b>History of experience gains and losses:</b>			
Experience gains and (losses) on assets	13,618,000	(367,000)	-
Experience gains and (losses) on liabilities	1,831,000	696,000	-

Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2018

	31/03/2018 £	31/03/2018 £
Projected current cost	5,237,000	0.0%
Net interest on the net defined benefit liability (asset)	603,000	0.0%
	<b>5,840,000</b>	<b>0.0%</b>

History of experience gains and losses

The actuarial gains/losses identified as movements on the Pensions Reserve 2016/17 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2017.

	31/03/2017 %	31/03/2016 %	31/03/2015 %
Experience (gains and (losses) on Assets	11.58%	-0.37%	0.00%
Experience gains and (losses) on Liabilities	-1.28%	-0.61%	0.00%

e Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The Council's Fund liabilities have been assessed by Aon Hewitt Limited, an Independent firm of actuaries, estimates for the Council Fund being based on data pertaining to the latest full valuation of the scheme as at 31 March 2016.

Long-term expected rate of return on assets in the scheme:	2016/17 %	2015/16 %
Equity investments	74.5%	71.9%
Bonds	11.5%	12.1%
Property	10.5%	13.2%
Cash	2.6%	2.3%
Other	0.9%	0.5%
<b>Mortality assumptions:</b>		
<b>Longevity at 65 current pensioners:</b>	<b>Years</b>	<b>Years</b>
Men	23.2	22.0
Women	25.8	25.0
<b>Longevity at 65 for future pensioners:</b>		
Men	25.4	25.0
Women	28.1	27.0
Inflation/Pension Increase Rate	2.00%	1.80%
Salary Increase Rate	3.50%	3.30%
Discount Rate	2.60%	3.40%
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%	75%
Service post April 2009	75%	75%

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 2017 is set out below.

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

### Funded Pension Scheme Benefits

Discount Rate Assumption		
Adjustment to discount rate	+0.1% p.a.	-0.1% p.a.
Present value of the total obligation	139,602,000.00	145,209,000.00
% change in the present value of the total obligation	-1.90%	2.00%
Projected service cost	5,085,000.00	5,393,000.00
Approximate % change in projected service cost	-2.90%	3.00%
Rate of General Increase in Salaries		
Adjustment to salary increase rate	+0.1% p.a.	-0.1% p.a.
Present value of the total obligation	143,236,000	141,529,000
% change in the present value of the total obligation	0.60%	-0.60%
Projected service cost	5,237,000.00	5,237,000.00
Rate of Increase to Pensions in Payment and Deferred Pension Assumption		
Adjustment to pension increase rate	+0.1% p.a.	-0.1% p.a.
Present value of the total obligation	144,343,000.00	140,442,000.00
% change in the present value of the total obligation	1.40%	-1.40%
Projected service cost	5,393,000.00	5,085,000.00
Approximate % change in projected service cost	3.00%	-2.90%
Post Retirement Mortality Assumption		
Adjustment to mortality age rating assumption*	- 1 Year	+1 Year
Present value of the total obligation	146,542,000.00	138,237,000.00
% change in the present value of the total obligation	2.90%	-2.90%
Projected service cost	5,421,000.00	5,054,000.00
Approximate % change in projected service cost	3.50%	-3.50%

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

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

	31/03/2016	31/03/2015	31/03/2014
Equity investments	74.50%	71.90%	0.00%
Government Bonds	5.40%	5.70%	0.00%
Corporate Bonds	6.10%	6.40%	0.00%
Property	10.50%	13.20%	0.00%
Cash	2.60%	2.30%	0.00%
Other	0.90%	0.50%	0.00%
Total	100.00%	100.00%	0.00%

### g Northern Ireland Civil Service Pension Arrangements

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Council is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31/03/2015. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowances Resource Accounts as at 31 March 2017.

### 20 Contingencies

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the state second pension prior to 6 April 2016. On 6 April 2016 the government introduced the new state pension. A consequence of the legislation was that the mechanism which previously provided fully indexed pension payments to public servants ceased to apply in relation to the GMP portion of the pension. At present there is inequality of benefits between male and female members who have GMP. Consultation is ongoing and until this is resolved, the impact on pension liabilities is uncertain, and no allowance has been made for GMP equalisation in these accounts. HM Treasury have introduced an interim solution to the indexation of GMPs in public sector schemes, under which the fund became responsible for paying full pension increases on the GMP for members who reach their state pension age between 6 April 2016 and 5 December 2018 inclusive. The valuations used do allow for these changes which have already been implemented.

There is a contingent liability in respect of the potential for legal action and any compensatory award in relation to lease matters. There is no opinion to advise on the likelihood of this liability crystallising nor can this be quantified financially.

Fermanagh and Omagh District Council  
Notes to the Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2017

21 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	2016/17 £	2015/16 (Restated) £
Depreciation	10	5,176,007	5,940,055
Impairment & downward revaluations (& non-sale derecognitions)	10	(294,186)	(1,945,154)
Amortisation (included with depreciation above)		-	-
(Increase)/Decrease in Stock		(106,260)	50,814
(Increase)/Decrease in Debtors		(1,248,648)	5,142,289
Increase/(decrease) in impairment provision for bad debts		(237)	418,108
Increase/(Decrease) in Creditors		367,123	(1,411,983)
Increase/(Decrease) in Interest Creditors		-	-
Payments to NILGOSC	3,19	1,057,683	1,298,395
Carrying amount of non-current assets sold	10	15,320	35,835
AIC/WIP written off to Net Cost of Services	10	-	-
Contributions to Other Reserves/Provisions		128,780	(171,509)
Movement in value of investment properties-included above in Impairment & downward revaluations (& non-sale derecognitions)		-	-
Amounts posted to CIES from Donated Assets Account		-	-
		5,095,582	9,356,850

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	Notes	2016/17 £	2015/16 (Restated) £
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		(39,995)	(41,425)
Capital grants included in "Taxation & non-specific grant income"		(1,378,264)	(3,584,373)
		(1,418,259)	(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:

	2016/17	2015/16 (Restated)	2014/15
	£	£	£
Cash and Bank balances	1,279,142	1,731,825	-
Short Term Deposits (considered to be Cash Equivalents)	15,802,986	12,047,935	8,268,669
Short Term Investments (considered to be Cash Equivalents - Tullyvar Cash Balances)	922,666	879,402	1,040,757
Bank Overdraft	(175)	(175)	-
	18,004,619	14,658,987	9,309,426

Cash Flow Statement: Operating Activities		2016/17	2015/16 (Restated)
The cash flows from operating activities include:		£	£
Interest received		43,647	32,960
Interest paid		617,611	688,212

Cash flows from Investing Activities		2016/17	2015/16 (Restated)
		£	£
Purchase of PP&E, investment property and intangible assets		2,355,055	7,643,407
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		(39,995)	(41,425)
Proceeds from Short Term Investments (not considered to be cash equivalents)		-	-
Proceeds from Long Term Investments		-	-
Capital Grants and Contributions Received		(1,253,097)	(4,498,874)
Other Receipts from Investing Activities		-	-
<b>Net Cash flows from Investing Activities</b>		<b>1,061,963</b>	<b>3,103,108</b>

Cash flows from Financing Activities		2016/17	2015/16 (Restated)
		£	£
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		(245,955)	(284,064)
Repayment of Short and Long Term Borrowing		(1,175,928)	(1,087,060)
Other payments for Financing Activities		(767,226)	-
<b>Net Cash flows from Financing Activities</b>		<b>(2,189,109)</b>	<b>(1,371,124)</b>

## 22 Usable Reserves

### a Capital Receipts Reserve

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

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

Capital Receipts Reserve	Notes	31/03/2017	31/03/2016
		£	£
<b>At 1 April</b>		165,540	132,115
<b>Movement</b>			
Transfers between statutory & other reserves & the General Fund		-	-
Disposal of Non Current Assets/ Capital Sales	3.10	39,995	41,425
Capital Receipts used to finance capital expenditure	3.11	-	(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>205,535</b>	<b>165,540</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	31/03/2017	31/03/2016
		£	£
<b>At 1 April</b>		419,777	1,038,942
<b>Movement</b>			
Unapplied Capital Grants received in year		1,012,361	399,700
Unapplied Capital Grants transferred to CAA in year		(265,776)	(1,018,865)
<b>At 31 March</b>		<b>1,166,362</b>	<b>419,777</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	31/03/2017	31/03/2016
		£	£
At 1 April		1,139,475	606,135
Transfers between statutory & other reserves & the General Fund		2,036,596	1,102,550
Transfers between Capital Fund & CAA to finance Capital Expenditure	11	(105,000)	(569,210)
<b>At 31 March</b>		<b>3,071,071</b>	<b>1,139,475</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	31/03/2017	31/03/2016
		£	£
At 1 April		1,940,789	1,844,092
Transfers between statutory & other reserves & the General Fund		1,502,545	512,738
Transfers between Renewal & Repair Fund & CAA to finance Capital Expenditure	11	-	(416,041)
<b>At 31 March</b>		<b>3,443,334</b>	<b>1,940,789</b>

**e Other Balances & Reserves**

Other Balances & Reserves	Notes	31/03/2017	31/03/2016 (Restated)
		£	£
At 1 April		3,519,840	2,789,173
Transfers between statutory & other reserves & the General Fund		1,254,290	1,325,712
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	11	(131,524)	(595,045)
<b>At 31 March</b>		<b>4,642,606</b>	<b>3,519,840</b>

These reserves are set aside to cover the costs of future Council commitments.

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	31/03/2017	31/03/2016 (Restated)
		£	£
At 1 April		2,965,574	2,867,074
Applied Capital Grants	3, 23	(419,793)	(3,184,673)
Unapplied Capital Grants received in year		(1,012,361)	(399,700)
Direct Revenue Financing	3, 11	(1,226,424)	(1,193,600)
Depreciation and Impairment adjustment	3	4,881,821	3,994,901
Statutory Provision for financing Capital investment	3	(1,443,804)	(1,371,124)
Net Revenue expenditure funded from capital under statute			
	3, 11	200,775	-
Surplus/(Deficit) on the Provision of Services	CIES	2,919,381	4,092,741
Transfers between Statutory and Other Reserves and the General Fund			
		(4,793,431)	(2,941,000)
Net movements on Pension Reserve	3, 19	1,057,683	1,298,396
Disposal of Fixed Assets/Capital Sales	3, 10	(24,675)	(5,591)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	3	77,407	131,684
Other Movements	3	(111,937)	(323,534)
<b>At 31 March</b>		<b>3,070,216</b>	<b>2,965,574</b>



## 23 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	31/03/2017	31/03/2016 (Restated)
		£	£
At 1 April		90,299,043	84,984,728
Applied Capital Grants & Donated Assets	3	419,793	3,184,673
Unapplied Capital Grants transferred to CAA in year	22	265,776	1,018,865
Direct Revenue Financing	3, 11	1,226,424	1,193,600
Depreciation & Impairment adjustment	10	(4,881,821)	(3,994,901)
Statutory Provision for financing Capital Investment	3	1,443,804	1,371,124
Derecognition of Finance Lease	3, 11	(200,775)	-
Disposal of Fixed Assets/ Capital Sales	3, 10	(15,320)	(35,834)
Capital Receipts used to finance capital expenditure	3, 11	-	8,000
Other Movements		(890,332)	988,492
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	11	236,524	1,580,296
At 31 March		87,903,116	90,299,043

### 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	31/03/2017	31/03/2016 (Restated)
		£	£
At 1 April		21,276,080	17,192,334
Revaluation & Impairment	10	1,903,610	5,072,239
Other Movements-Impairment Adjustments		258,951	-
Other Movements		890,332	(988,493)
<b>At 31 March</b>		<b>24,328,973</b>	<b>21,276,080</b>

### 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	31/03/2017	31/03/2016
		£	£
At 1 April		(13,970,000)	(17,552,950)
Net Movements on Pension Reserve	3, 19	(1,057,683)	(1,298,396)
Revaluation & Impairment	19	(10,086,317)	4,881,346
<b>At 31 March</b>		<b>(25,114,000)</b>	<b>(13,970,000)</b>

#### 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	31/03/2017	31/03/2016
		£	£
At 1 April		517,803	545,557
Other Movements		(26,342)	(27,754)
<b>At 31 March</b>		<b>491,461</b>	<b>517,803</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	31/03/2017	31/03/2016
		£	£
At 1 April		(685,084)	(553,400)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		(77,407)	(131,684)
<b>At 31 March</b>		<b>(762,491)</b>	<b>(685,084)</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.

Provisions Discount Rate Reserve	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		(63,548)	(414,836)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		138,279	351,288
<b>At 31 March</b>		<b>74,731</b>	<b>(63,548)</b>

## 24 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 1 April 2015. The cost of providing this service in 16-17 was £343k. Income received during the year on behalf of the 11 Councils amounted to £1,355k. Amounts due to other Councils at 31 March 2017 in respect of the Regional Property Certificates is £621k and included within Note 16. Transactions relating to this service are not included within the financial statements.

## 25 Investment in Joint Operations

Tullyvar Joint Committee is a landfill site jointly owned and managed by Mid Ulster District Council and Fermanagh and Omagh District Council on an equal ownership share basis. To ensure compliance with accounting standard IFRS 11 Joint Arrangements the Council's share of Tullyvar income and expenditure is included within Environmental Services reporting line in the Comprehensive Income and Expenditure Account and the Council's rights to assets and obligations for liabilities are included in the relevant reporting lines on the Balance Sheet. The comparative year figures have been restated. There is no impact on the General Fund balance or the Council's net worth as a result of this restatement.

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 £2,226,802 (2015/16 £1,917,309). Also, in accordance with IAS 37, the provision is based on the percentage utilisation of the site which has changed from 92.4% in the previous year to 62.1% currently and calculated to be £1,381,874 (2015/16 £1,771,593). This is to bring the assumptions into line with the current management position that the site is to be "mothballed" for a number of years with the potential re-opening to fill cell 4. 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 previously reviewed the site gas generation potential and modelled the income projection. Their model has been reviewed by management to reflect more recent actual gas generation and income figures. The future projected discounted gas income is £1,233,486 over the next 12 years (2015/16 £1,480,278).

The value of Fermanagh and Omagh's investment in Tullyvar is £2,854,514 (2015/16 £2,705,541) which represents half of Tullyvar's net assets employed and is broken down as follows:

	2016/17 £	2015/16 £
Long term assets	2,580,833	2,860,366
Current assets	1,836,399	1,346,835
Current liabilities	(871,781)	(615,863)
Long term liabilities	(690,937)	(885,797)
<b>Net Assets</b>	<b>2,854,514</b>	<b>2,705,541</b>

The movement in Fermanagh and Omagh's investment in Tullyvar - increase of £148,973 (2015/16 decrease of £21,335) is broken down as follows:

	2016/17 £	2015/16 £
Sales	386,286	360,972
Gas Income	24,959	(26,126)
Other	1,365	2,249
<b>Total Income</b>	<b>412,610</b>	<b>337,095</b>
Administration Costs	117,312	130,953
Operating Costs	180,712	353,935
<b>Total costs</b>	<b>298,024</b>	<b>484,888</b>
Distribution of funds	-	-
Revaluation reserve movement	34,387	126,458
<b>Net Movement</b>	<b>148,973</b>	<b>(21,335)</b>

## 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 23) 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 71 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 2016/17 financial year the Council commissioned £1,759,431 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 £1,532,956 in disposal charges and landfill tax and contributions to environmental bodies. A further £225,749 was outstanding at 31 March 2017 for disposal charges and landfill tax for the periods February and March 2017.

In addition, Fermanagh & Omagh District Council paid the Education Authority (Western Region) £25,376 for catering, bus hire, printing, training and a refund of rental income. The Education Authority (Western Region), in turn, paid Fermanagh & Omagh District Council £127,823 for rent, commercial and trade waste charges, hire of the leisure centre facilities and for costs in relation to Omagh Youth Centre & Bawnacre.

The Council also paid grants of £600,712 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.

Included in grants is £70,000 paid to Fintona Regeneration Initiative during 2016/17 from which Fermanagh and Omagh District Council deducted £8,558 as repayment of a loan.

During 2016/17, Fermanagh & Omagh District Council had actual expenditure of £1,646,174 to other Councils with a further £743,785 (see note 16) outstanding at 31 March 2017. The Council received £388,954 from other Councils with a further £89,835 (see note 14b) outstanding at 31 March 2017. These amounts relate mainly to services provided.

Fermanagh & Omagh District Council also paid NILGOSC (Northern Ireland Local Government Officers Superannuation Committee) a total of £3,310,860 whereby a Director was acting 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, Directors and Head of Service were on the Management Committee.

Organisation	Total Paid 16/17	Services	Grants
	£	£	£
Cooneen/Coonian Community Dev Associator	1,325		1,325
Culmore O'Kane Residents Association	2,354		2,354
Dromore Education & Community Partnership	31,029		31,029
Education Authority - Western region	25,376	25,376	
Erne & Melvin Enhancement Company	9,504		9,504
Fermanagh Citizens Advice Bureau	80,821		80,821
Fermanagh Enterprise Ltd	2,492	1,459	1,033
Fermanagh Lakeland Tourism	129,580	12,115	117,464
Fermanagh Rural Community Initiative	115,972	115,972	
Fintona Regeneration Initiative Ltd	71,904	510	71,394
Good will Gifts support group Ederney	1,677		1,677
Hospital Road Community Association	5,394		5,394
ICBAN	10,000		10,000
Kesh Development Association	4,076		4,076
Kirlish Ulster Scots Association	2,806		2,806
Lakeland Community Care	4,367	60	4,307
Melvin Enterprises	2,600		2,600
Newtownbutler Together	1,962		1,962
NI Amenity Council	2,590	2,590	
NILGA	58,249	58,249	
NILGOSC	3,310,860	3,310,860	
Northern Ireland Fire & Rescue Service	5,270		5,270
Omagh Enterprise Co Ltd	3,406	2,406	1,000
Omagh Independent Advice	99,150		99,150
Omagh Safer Streets	70,000		70,000
Robert Dickie & Sons Ltd	4,646	4,646	
Royal British Legion Omagh	4,262		4,262
South West Age Partnership	8,801		8,801
South West College	9,517		9,517
Strathroy Community Association	1,892	1,892	
Trillick Arts & Cultural Society	2,615		2,615
Trillick Enterprise Leisure Ltd	40,638	20	40,618
Tullyvar Landfill	1,532,956	1,532,956	

27 Prior Year Re-statement

As per Note 25 Tullyvar Joint Committee is a landfill site jointly owned and managed by the Council and Mid Ulster District Council on an equal ownership shared basis. The Council's share of the Tullyvar Committee assets, liabilities, revenue and expenses were previously accounted for as a Joint Venture. Following changes in the CIPFA Code of Practice as a result of amendments to IFRS 11 Joint Arrangements the Joint Committee is now considered to be a Joint Operation. As such the Council as a joint operator has recognised its share of assets, liabilities, revenue and expenses in its financial statements.

Effect on Comprehensive Income and Expenditure Statement 2015-16

Service Expenditure	Originally Stated 2015/16	Restated 2015/16	Restatement
	Net Expenditure	Net Expenditure	
	£	£	£
Leisure and Recreational Services	10,034,456	10,034,456	-
Environmental Services	14,250,747	14,398,540	(147,793)
Planning and Development Services	3,765,003	3,765,003	-
Highways and Transport Services	(435,801)	(435,801)	-
DRM and Corporate Management	2,653,804	2,653,804	-
Other Services	1,529,389	1,529,389	-
<b>Cost of Services on Continuing Services</b>	<b>31,797,598</b>	<b>31,945,391</b>	<b>(147,793)</b>
Other Operating Expenditure	(5,591)	5,591	-
Financing and Investment Income and Expenditure	575,833	575,833	-
Share of Operating Results of associates and joint ventures	147,793	-	147,793
<b>Net Operating Expenditure</b>	<b>32,515,633</b>	<b>32,515,633</b>	<b>-</b>
Taxation and non-specific grant income	(36,608,374)	(36,608,374)	0
<b>Surplus/(Deficit) on the provision of Services</b>	<b>4,092,741</b>	<b>4,092,741</b>	<b>0</b>

Effect on Balance Sheet

	Originally Stated 2015/16	Restated 2015/16	Restatement
	Balance	Balance	
	£	£	£
Fixed Assets	121,425,615	123,571,841	2,146,226
Investments in Associates and Joint Ventures	2,705,541	0	(2,705,541)
Long Term Debtors	565,924	1,280,064	714,140
<b>Long Term Assets</b>	<b>124,697,080</b>	<b>124,851,905</b>	<b>154,825</b>
Short Term Debtors	4,829,158	5,296,592	467,434
Cash and Cash Equivalents	13,779,760	14,659,162	879,402
<b>Current Assets</b>	<b>19,046,121</b>	<b>20,392,957</b>	<b>1,346,836</b>
Short Term Creditors	5,920,101	6,535,965	615,864
<b>Current Liabilities</b>	<b>7,403,570</b>	<b>8,019,434</b>	<b>615,864</b>
Provisions	3,642,502	4,528,299	885,797
<b>Long Term Liabilities</b>	<b>28,814,341</b>	<b>29,700,138</b>	<b>885,797</b>
<b>Net Assets</b>	<b>107,525,290</b>	<b>107,525,290</b>	<b>0</b>
<b>Net Worth</b>	<b>107,525,290</b>	<b>107,525,290</b>	<b>0</b>

Effect on 1 April 2015 Balance Sheet (Incorporating Fermanagh District Council, Omagh District Council and Fermanagh and Omagh Shadow Council)

	Originally Stated 01.04.15	Restated 01.04.15	Restatement
	Balance	Balance	
	£	£	£
Fixed Assets	113,319,751	115,440,356	2,120,605
Investments in Associates and Joint Ventures	2,726,876	0	(2,726,876)
Long Term Debtors	577,933	1,343,199	765,266
<b>Long Term Assets</b>	<b>116,624,560</b>	<b>116,783,555</b>	<b>158,995</b>
Short Term Debtors	11,033,528	11,739,966	706,438
Cash and Cash Equivalents	8,269,119	9,309,876	1,040,757
<b>Current Assets</b>	<b>19,817,165</b>	<b>21,564,360</b>	<b>1,747,195</b>
Short Term Creditors	7,967,925	8,686,669	718,744
<b>Current Liabilities</b>	<b>9,421,414</b>	<b>10,140,158</b>	<b>718,744</b>
Provisions	3,456,413	4,643,859	1,187,446
<b>Long Term Liabilities</b>	<b>33,541,347</b>	<b>34,728,793</b>	<b>1,187,446</b>
<b>Net Assets</b>	<b>93,478,964</b>	<b>93,478,964</b>	<b>0</b>
<b>Net Worth</b>	<b>93,478,964</b>	<b>93,478,964</b>	<b>0</b>

**Fermanagh and Omagh District Council  
Notes to the Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2017**

**Accounts Authorised for the Issue Certificate**

**Events after the Reporting Period**

There were no events occurring after 31 March 2017 which require adjustment to the Council's financial statements or additional disclosures.

**Date of authorisation for issue**

The Chief Financial Officer authorised these financial statements for issue on 28 September 2017.

- In the event of adjustments the disclosures that should be made.

Signed

  
Chief Financial Officer

Date

28 September 2017

