

**OMAGH DISTRICT COUNCIL
AUDITED STATEMENT
OF ACCOUNTS
YEAR ENDED 31 MARCH 2015**

**Omagh District Council
Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

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Explanatory Foreword

Introduction

The Council's financial performance for the year ended 31 March 2015 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 2014/15 (the Code) and the Department of the Environment Accounts Direction, Circular LG 12/15 dated 31 March 2015. 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 Omagh District Council finances during the financial year 2014/15 and its financial position at the end of that year. It follows approved accounting standards and is necessarily technical in parts.

The Explanatory Foreword is not part of the financial statements but is prepared on the basis that it is consistent with the financial statements. In addition, the Explanatory Foreword does not purport to comment on Council policies.

Group Accounts

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

The Movement in Reserves Statement

This Statement, as set out on page 12, 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 13, 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 14, 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 in page 15, 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 2015 the Council increased its General Fund reserve by £31k to £1.5m. This is after a transfer of £1.8m to finance capital expenditure, £585k to the capital fund and £814k to other earmarked reserves which have been deducted from the original surplus. A summary of the income and expenditure reported by the Council before movement on reserves with a comparison to the estimates for the year is shown below:

	Actual £	Estimated £	Variance £
Expenditure	22,070,408		
Income from Services	<u>(7,432,091)</u>		
Net Cost	14,638,315		
District Fund Balance Adjustments	<u>638,690</u>		
Adjusted Net Cost	15,277,005	15,054,785	222,220
Financed By			
General Grant	(1,850,951)	(1,820,390)	(30,561)
District Rates	(13,457,243)	(13,233,395)	(223,848)
Surplus/(Deficit)	<u>31,189</u>	<u>1,000</u>	<u>32,189</u>

The total net expenditure reported in the Comprehensive Income and Expenditure Account is £14.6m. This however includes non-cash items such as depreciation (£2.1m), revaluation increase (£517k) and capital grants received (£3.7m). It also includes pension movements (£820k), loan and lease repayments (£743k) and allocations to fund capital expenditure (£1.8m). Therefore after adjusting for non-cash items and other items to be correctly charged to the General Fund account the surplus of £4.3m on the Income and Expenditure Account is equivalent to an increase of £31k in the General Fund balance.

Capital Expenditure

The Council incurred gross capital expenditure of £7.4m during the year. The breakdown of this spend is shown in note 10 (fixed assets schedule) to the accounts. The major items of expenditure, including work in progress, were as follows:

	£
OASIS Project	3,105,470
Sustrans Cycle Path	130,351
New Phase - OLC	2,025,308
Grange Building	533,036
Recreation and Play Areas	386,828
Gortin Glen Forest Park	64,390
Sundry Land and Buildings	55,436
Purchase of Vehicles / Plant / IT	1,068,528

The Council can finance capital expenditure using:

- Loan finance (Loan or lease)
- Grant aid
- Capital receipts: proceeds from sale of capital assets
- Repair and renewal / capital funds
- Transfer of funds from revenue resources

Grants to the value of £3.7m were received to fund certain elements of capital expenditure.

Details of the financing of capital expenditure for the year are shown in note 11 to the Accounts.

The total amount outstanding on loans at 31 March 2015 was £9,635,530. A total amount of £1,500,000 was drawn down in the year of which £1,000,000 was to fund capital expenditure and £500,000 was to fund expenditure in relation to the operation of Fermanagh and Omagh District Shadow Council (further information below). The cost of servicing these loans during the year was £1,233,945.

The total amount outstanding on finance leases and hire purchase agreements at 31 March 2015 was £94,798. No new agreements were entered into during the year. The cost of servicing these finance leases and hire purchase agreements was £42,464.

As at 31 March 2015, Omagh District Council had in place a number of funds (the capital fund and repairs and renewals fund) which are earmarked to fund future capital expenditure. Information surrounding future capital commitments is included in note 12.

Pension Liability

Included in the balance sheet is the pension liability as measured by external independent actuaries as at 31 March 2015. This liability represents an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees.

Fermanagh and Omagh District Shadow Council

In preparation for 1 April 2015 when Omagh District Council ceased to exist and its functions transferred to the new Council (Fermanagh and Omagh District Council), a Shadow Council was operational from 28 May 2014. Omagh District Council's contribution to the Shadow Council was based on population and details of the amounts involved are included in the Related Party note to the accounts (note 24).

Post Balance Sheet Event: Local Government Reform

From 1st April 2015, Omagh District Council ceased to exist and its functions transferred to the new Council Fermanagh and Omagh District Council.

Fermanagh and Omagh District Council combines the previous councils of Fermanagh District Council and Omagh District Council into one new body constituted under the framework established by the Local Government Act (Northern Ireland) 2014.

Under regulation 11 of the Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014, the new council will designate an officer as having responsibility for the winding up of its predecessor councils.

This designated officer will have responsibility for the preparation of final statements of account for predecessor councils in a form directed by the Department under regulation 4 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006.

These accounts are prepared on a going concern basis in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom.

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

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 5 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 the Council, or a Committee, is required by resolution, to approve the accounts.

These accounts were approved by the Policy and Resources Committee of Fermanagh & Omagh District Council on 23rd June 2015.

The Chief Financial Officer's Responsibilities

Under Regulation 4(1) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006, the Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts in the form directed by the Department of the Environment.

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

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

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

The Chief Financial Officer is also required to:

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

NORTHERN IRELAND LOCAL GOVERNMENT BODIES' ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

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

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

The Council is required to prepare an Annual Governance Statement which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. This statement explains how the Council meets the requirements of Regulation 2A of the Local Government Accounts and Audit (Amendment) Regulations (Northern Ireland 2006) 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 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 Omagh District 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 Omagh District Council for the year ended 31 March 2015. From the 1 April 2015 to the date of approval of the financial statements, the Governance Arrangements are those of the new council, Fermanagh & Omagh District Council.

The governance framework

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

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

The Corporate Plan 2011-15 and Corporate Plan Addendum 2013-15 were the key strategic plans through which the Council's vision, mission, core values and strategic objectives and actions were outlined and communicated.

The Corporate Plan was available at www.omagh.gov.uk.

The progress on delivery of the vision, mission and strategic objectives within the Corporate Plan were communicated through various methods including a six month review presented to Council, via the staff intranet, through staff briefings, the Council's website and Facebook page, local newspapers and the Spring 2014 InView magazine.

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

The Corporate Plan's final year 2014-15 and Corporate Plan Addendum 2013-15 were reviewed at the six monthly juncture to determine the achievements to date, those that required prioritising for completion by March 2015, those that were no longer realistically achievable and those that would require consideration in the Corporate Plan for the new Fermanagh & Omagh District Council post-April 2015. The review was undertaken across the four strategic themes of the Corporate Plan for the Corporate Plan - (i) Delivering Effective Governance and Leadership, (ii) Developing a Vibrant Omagh, (iii) Enabling an Active, Engaged and Healthy Lifestyle and (iv) Protecting and Enhancing our Environment. Progress against objectives and actions were indicated by the traffic light coding of green, amber and red.

The Corporate Plan was integral to the Council's governance arrangements and it provided the overarching framework, outlining the Council's objectives and targets over the 4 year period 2011-15. It provided the direction for Members, Officers and for service delivery to citizens. The Council's Performance Management process which was closely aligned to the Corporate Plan, provided a process for delivery of the Vision at corporate, service and individual levels, with integral linkage to the financial planning and risk management of the Council.

The annual business plans were developed in accordance with the Corporate Plan which in turn informed the Personal Development and Performance Appraisals. Each were coded to indicate progress using the traffic light coding of green, amber and red.

Strategic Theme one - Delivering Effective Governance and Leadership was included in the Corporate Plan in recognition for the need to provide strong civic leadership and high quality standards of accountability and continuous improvement.

- **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.**

The Council had in place a corporate Customer Comments and Complaints Policy and Procedure, alongside individual services customer satisfaction recording process, such as those undertaken by Strule Arts Centre, Omagh Leisure Complex and the Community Centres. The Council had in place its Customer Charter outlining the high quality standards and commitments service users could expect and in the event of non-compliance, the complaint process they could use to express dissatisfaction and seek remedial action.

The Council recognised its valuable staffing resource, achieving bronze level Investor in People (IIP) accreditation.

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

The main decision making committee was the full Council. Council meetings were open to the public except where personal or confidential matters were being discussed. The full Council was supported by a range of committees. In addition, senior and other officers of the Council could make decisions under delegated authority. Each member of the Council's senior management team had a specific portfolio of responsibilities requiring them to work closely with senior and other employees so as to achieve the Council's objectives.

The Council's senior management team (SMT) met on a monthly basis to develop policy issues commensurate with the Council's aims, objectives and priorities. The SMT also considered other internal control issues, including risk management, performance management, absence management, compliance, efficiency and value for money and financial management. The Chief Executive met individually with heads of departments throughout the financial year to review progress in achieving the Council's objectives by each department. The roles and responsibilities of Council officers were set out in job descriptions which were regularly updated. The Council standing orders also set out areas of delegated authority.

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

The voluntary Code of Conduct was provided to all Councillors as part of their induction material. The principles contained in this Code were covered as part of induction training and Councillors also received training facilitated by CIPFA on board member responsibility and pecuniary interests. The Council developed a Code of Conduct for officers; this code built on and is in keeping with the seven principles of public life articulated by the Nolan Committee on Standards in Public Life. This Code set out standards of behaviour expected of Council officers and also dealt with the disclosure of information, political neutrality and potential conflicts of interest. The Code also addressed appointments and other employment matters, outside commitments, personal interests and equality issues. Finally, the Code emphasised the importance of separation of roles during tendering and the use of financial resources in a responsible and lawful manner and addressed corruption, hospitality, sponsorship and whistle blowing.

Training on the Code of Conduct was provided as part of the induction programme for new employees.

In addition, the Council had a Fraud and Corruption Policy which was updated in March 2014.

- **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.**

The Council's standing orders were reviewed and updated on an ongoing basis. The last major review was undertaken in October 2004 by the standing orders working group. As part of this process, all standing orders were reviewed and updated. The Council's standing orders also set areas of delegated authority. The Council has reviewed its financial procedures and full procedural guides have been developed for creditors, debtors, stock, payroll and purchasing. The purchasing policy set out limits and procedures for all aspects of procuring goods and services. The procedural guides and policies set out the controls in place and the responsibilities of Council officers in each area.

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

The Council had a fully functioning Audit Committee, the Terms of Reference for which comply with the CIPFA guidance and have been approved by the full Council. The Audit Committee membership comprised of five councillors and an independent member. The Committee aimed to meet a minimum of 4 times a year. The Chief Executive, Chief Finance Officer and the Internal Auditors attended all Audit Committee meetings. The Local Government Auditor was also invited to attend all meetings of the Committee.

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

The Council complied with the Local Government Finance Act (NI) 2011, the Local Government (Capital Finance and Accounting) Regulations (NI) 2011 and the supporting codes - the Prudential Code and the Treasury Management Code. The Chief Executive of Omagh District Council was also the Council's Chief Financial Officer (as outlined in Section 54 of the Local Government Act (NI) 1972.) The Chief Financial Officer was charged with ensuring the lawfulness and financial prudence of decision making, providing advice and guidance and ensuring that expenditure was lawful. The Council ensured that professional advice on matters that had legal or financial implications was available and used appropriately.

Each Chief Officer / Head of Department was responsible for ensuring compliance with relevant laws, regulations, internal policies and procedures within their department, with the Council Chief Executive having ultimate responsibility for ensuring compliance within the Council. The Council introduced a chain of departmental assurance statements. As part of these assurance statements, each Chief Officer / Head of Department provided assurance to the Council's Chief Executive on compliance with relevant laws, regulations, internal policies and procedures within their department.

Serious breaches of laws, regulations, policies and procedures by Council employees were dealt with through the Council's disciplinary procedure and reported to the full Council as appropriate.

The Council developed a number of policies and procedures to ensure compliance with relevant laws and regulations, including a child protection policy and procurement policy. In 2013/14, the procurement policy was updated and training provided to key relevant staff. Additionally, Council staff were trained on the requirements of the Disability Discrimination Act, the Freedom of Information Act, the Data Protection Act and Section 75 of the Northern Ireland Act.

The Chief Finance Officer plays a key role in ensuring that all Council expenditure is lawful. As part of its programme of work, the internal audit function reviews compliance with Council policies and procedures.

- **Whistle-blowing and for receiving and investigating complaints from the public.**
The Council had a whistle blowing policy which was revised in March 2007.

The policy aimed to establish proper whistle blowing arrangements where staff were encouraged to raise their concerns. The aim of the whistle blowing arrangements was to act as a deterrent to malpractice, encourage openness, promote transparency, underpin the risk management systems of the Council and help protect the Council's reputation. Under the policy, matters could be raised with the Chief Finance Officer or the Head of Human Resources who followed the Council's confidential reporting procedure. Matters could also be reported directly to the local government auditor or the PSNI. Training on the Council's whistle blowing policy was provided to all new employees as part of their induction process.

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

A revised learning and development policy was approved by Council in June 2012. The policy recognised that the Council's employees are its most valuable asset. The Council was committed to the support and provision of staff learning and development for all categories of staff. Within the Council, learning and development needs were identified on three levels:

- o **Corporate**
Needs were identified from the objectives set in the Council's Corporate Plan
- o **Departmental**
Needs were identified from the objectives set in each department's annual business plan which are directly linked to the Corporate Plan
- o **Individual**
Needs were identified through the annual performance appraisal process in which staff members and their supervisors discuss past and future performance.

The Council appointed an external company to undertake a training needs analysis and subsequent report providing an overview of the Capacity Building and training needs for elected members, transferring staff, and staff in the Fermanagh and Omagh cluster. The capacity building programme commenced in April 2014 and ended in March 2015 and was funded by the Department of the Environment. The cluster was allocated approximately £90,000 which was used to provide training on the following areas -

- Leadership
- Governance
- Service Delivery and Integrating New Functions/ Organisational Design
- Performance Management
- Preparing for and implementing change
- Organisational Development
- Community Planning
- Planning

Training for members and staff was provided in house through Omagh District Training Consortium or from external sources as appropriate.

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

Councillors were in constant communication with their Constituents, bringing matters of concern to the Council for consideration and resolution. All minutes of Council meetings were communicated to the public via the Council website. Additionally, the Council's Facebook page provided a means for further two way communications. The Spring 2014 edition of InView provided a synopsis of Council activity and progress against Corporate Plan objectives and press releases both proactive and reactive provided the public with information on various aspects of Council business activity. Intranet and InSide View were two internal methods of communication which informed staff of regional and local progress which impacted on the body corporate, on service sections and on individual staff teams/officers. All departments followed a schedule of monthly staff meetings and a number of staff briefing sessions were undertaken by the Chief Executive to keep staff abreast of developments within the Programme for local government reform. Joint communications became more critical during this reporting period with staff updates provided through 'Transition Together' internal newsletter and joint staff briefing sessions conducted by the legacy Council Chief Executive and the new Council's designated Chief Executive.

Review of Effectiveness

The Council had responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness was informed by the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Internal Auditor's annual report and also by comments made by the external auditors. The Council used the services of an external, independent Internal Auditor to provide assurance over its governance arrangements. The assurances provided by the SMT to the Chief Executive on the systems of Risk Management, Internal Control and key issues informed the review of the effectiveness of the system of governance. The Audit Committee played a key role in focusing on the most significant risks and the scope of its scrutiny also informed the opinion on the effectiveness of the governance framework.

Internal audit was responsible for monitoring the quality and effectiveness of systems of internal control. During 2014/15, internal audit assignments were carried out in accordance with the annual internal audit plan agreed by the Audit Committee. The reporting process for internal audit required a report for each audit assignment to be submitted to the relevant departmental manager and/or the Chief Finance Officer. The report included recommendations for improvement and response from management. A process existed to carry out follow-up reviews of all recommendations to ensure they are acted upon. All internal audit reports included an overall assurance on the quality and effectiveness of internal control within the areas audited.

In addition, the internal auditor also produced an annual report containing an overall assurance statement on the quality and effectiveness of the systems of internal control within the Council. A substantial assurance rating was provided in relation to the system of internal control within the Council.

As part of the follow up of internal audit recommendations, any weaknesses identified in the governance framework were addressed and continuous review of the framework was undertaken to improve current practices in place.

Significant Governance Issues


Omagh District Council completed a Post Project Evaluation on the Hydro Project which was supplemented by an external expert peer review. This found that while the project has achieved its outputs, there may have been deficiencies on the part of one or more parties associated with the design and construction of the project. Discussions are currently still ongoing as to the most appropriate action to be taken.

Local Government Reform

From 1 April 2015, under the Reform of Local Government (RLG), the number of Councils in Northern Ireland reduced from the 26 existing to 11 new Councils, established under the Local Government Act (Northern Ireland) 1972 as amended by the Local Government (Boundaries) Act (Northern Ireland) 2008. From that date, the Northern Ireland Executive has agreed to transfer some functions currently carried out by NI Government Departments and give some new responsibilities to the 11 new Councils. The new councils aim to be more efficient and to deliver more effective service.

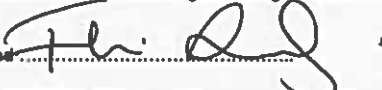
The new councils came into existence on 26th May 2014, operating in shadow form until they take over full responsibility for local government on 1st April 2015 when the 26 existing councils cease to exist. The final accounts for Omagh District Council will therefore be for the 2014/15 financial year. The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 made transitional provision with respect to local government reorganisation including positions of responsibility within the new council for the winding up and final accounts of existing councils.

The Local Government Act (Northern Ireland) 2014 introduced the legislative frame work for Northern Ireland's 11 new councils and has made transitional provisions to provide for the transfer of staff, assets and liabilities from the current 26 councils to the 11 new councils, and from departments transferring functions to the new councils.

Signed 

Date 20th October 2015

Chief Executive of Fermanagh & Omagh District Council

Signed 

Date 20th October 2015

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

Certificate of the Chief Financial Officer

I certify that:

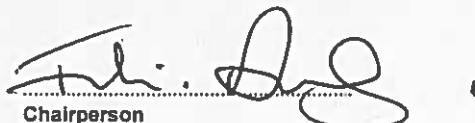
- (a) the Statement of Accounts for the year ended 31 March 2015 on pages 12 to 15 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 16 to 29.
- (b) in my opinion the Statement of Accounts gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year ending 31 March 2015.


.....
Chief Financial Officer

20th October 2015
Date

Council Approval of Statement of Accounts

These accounts were approved by resolution of the Policy & Resources Committee of Fermanagh and Omagh District Council on 23rd June 2015 and were subject to a number of minor amendments as noted on page 80.


.....
Chairperson

20th October 2015
Date

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

I have audited the financial statements of Omagh District Council for the year ended 31 March 2015 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.

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. Under the transitional arrangements set out in the Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014, Fermanagh and Omagh District Council takes responsibility for the financial statements of Omagh District Council.

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 Omagh District Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by 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 2014-15, of the financial position of Omagh District Council as at 31 March 2015 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) 2006 and the Department of the Environment directions issued thereunder.

Opinion on other matters

In my opinion the information given in the Explanatory Foreword for the financial year ended 31 March 2015 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 2014-15;
 - does not comply with proper practices specified by the Department of the Environment;
 - is misleading or inconsistent with other information I am aware of from my audit; or
- adequate accounting records have not been kept; or
- the statement of accounts is not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit.

Certificate

I certify that I have completed the audit of accounts of 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

Date *22 October 2015*

**Omagh District Council
Movement in Reserves Statement
For the current and comparative year**

This Statement 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.

	General Fund Summary	Statutory Reserves	Other Fund Balances & Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£	£	£	£	£	£	£
At 1 April 2013	1,480,249	2,273,829	1,675,554	1,015,121	6,444,753	28,624,607	35,069,360
Movement in reserves during the year							
Surplus or (deficit) on the provision of services	4,010,149	0	0	0	4,010,149	0	4,010,149
Other Comprehensive Income and Expenditure	0	0	(163,020)	0	(163,020)	1,704,047	1,541,027
Total Comprehensive Income and Expenditure	4,010,149	0	(163,020)	0	3,847,129	1,704,047	5,551,176
Adjustments between accounting basis & funding basis under regulation:	(3,171,880)	(1,794,545)	0	(1,075,057)	(6,041,482)	6,174,843	133,361
Net Increase/Decrease before Transfers to Statutory and Other Reserves	838,269	(1,794,545)	(163,020)	(1,075,057)	(2,194,353)	7,878,890	5,684,537
Transfers to/from Statutory and Other Reserves	(832,166)	649,026	154,013	59,936	30,809	(30,809)	0
Increase/Decrease in Year	6,103	(1,145,519)	(9,007)	(1,015,121)	(2,163,544)	7,848,081	5,684,537
At 31 March 2014	1,486,352	1,128,310	1,666,547	0	4,281,209	36,472,688	40,753,897
Movement in reserves during the year							
Surplus or (deficit) on provision of services	4,332,494	0	0	0	4,332,494	0	4,332,494
Other Comprehensive Income and Expenditure	0	0	25,640	0	25,640	328,580	354,220
Total Comprehensive Income and Expenditure	4,332,494	0	25,640	0	4,358,134	328,580	4,686,714
Adjustments between accounting basis & funding basis under regulations	(3,442,234)	(878,708)	0	(43,662)	(4,364,604)	4,364,604	0
Net Increase/Decrease before Transfers to Statutory and Other Reserves	890,260	(878,708)	25,640	(43,662)	(6,470)	4,693,184	4,686,714
Transfers to/from Statutory and Other Reserves	(859,071)	930,942	(154,571)	111,942	29,242	(29,242)	0
Increase/Decrease in Year	31,189	52,234	(128,931)	68,280	22,772	4,663,942	4,686,714
At 31 March 2015	1,517,541	1,180,544	1,537,616	68,280	4,303,981	41,136,630	45,440,611

Omagh District Council

Comprehensive Income and Expenditure Statement for the year ended 31 March 2015

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

	Notes	Gross Expenditure £	2014/15 Gross Income £	Net Cost £	Gross Expenditure £	2013/14 Gross Income £	Net Cost £
Services Expenditure							
Leisure and Recreational Services		6,391,975	2,199,760	4,192,195	5,482,439	1,403,463	4,078,976
Environmental Services		9,469,581	2,731,299	6,738,282	6,279,826	1,850,469	5,428,337
DRM and Corporate Management		2,446,256	354,111	2,092,145	1,541,746	298,102	1,243,644
Other Services		2,890,834	1,693,921	1,196,913	2,236,249	1,375,892	862,357
Cost of Services on Continuing Operations	4-6	21,198,646	6,979,111	14,219,535	17,542,260	4,927,946	12,614,314
Other Operating Expenditure	7	0	88,260	(88,260)	(80,065)	463,000	(543,065)
Financing and Investment Income and Expenditure	8	871,760	364,700	507,060	906,040	405,082	500,958
Surplus or Deficit on Discontinued Operations		0	0	0	0	0	0
Net Operating Expenditure		22,070,406	7,432,091	14,638,315	18,368,215	5,796,028	12,572,187
Taxation and Non-Specific Grant Income	9	0	18,970,809	(18,970,809)	0	16,582,336	(16,582,336)
Surplus/(Deficit) on the Provision of Services		22,070,406	26,402,900	4,332,494	18,368,215	22,378,364	4,010,149
Surplus/(Deficit) on revaluation of non-current assets	10a/10b/10d			1,960,616			509,663
Impairment losses on non-current assets charged to the Revaluation Reserve	10a/10b/10d			0			0
Surplus/(Deficit) arising on revaluation of available-for-				0			0
Remeasurements of the Net Defined Benefit Liability	20			(1,626,598)			1,164,705
Other Comprehensive Income and Expenditure				354,220			1,674,368
Total Comprehensive Income and Expenditure				4,686,714			5,684,537

Omagh District Council
Balance Sheet As At 31 March 2015

The Balance Sheet shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, ie those reserves that the authority 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'.

	Notes	2014/15 £	2013/14 £
Property Plant & Equipment (PP&E)	10a/10b	52,207,961	44,547,410
Land & Buildings	10a/10b	42,374,218	32,502,202
Infrastructure Assets	10a/10b	2,998,554	1,866,544
Landfill Site	10a/10b	0	0
Vehicles, Plant, Furniture and Equipment	10a/10b	2,176,135	1,652,852
Community Assets	10a/10b	459,706	473,227
PP&E under Construction	10a/10b	3,871,092	7,746,584
Surplus Assets	10a/10b	328,256	306,001
Heritage Assets	10d	88,985	88,985
Investment Properties	10a/10b	4,900,500	4,958,500
Intangible Assets	10a/10b	100,000	100,000
Assets Held for Sale	10e	0	0
Long Term Investments		0	0
Investment in Associates and Joint Ventures	14a	2,726,876	2,582,795
Long Term Debtors	15a	517,803	545,558
LONG TERM ASSETS		60,542,125	52,823,248
Short Term Investments		0	0
Inventories	13	216,265	193,137
Short Term Debtors	15b	4,880,429	3,620,769
Cash and Cash Equivalents	21b	2,309,889	4,476,454
Assets Held for Sale	10e	24678	24678
CURRENT ASSETS		7,431,261	8,315,038
Bank Overdraft		0	0
Short Term Borrowing	16a	728,290	743,097
Short Term Creditors	17a	3,230,447	4,264,965
Provisions	18	40,000	40,000
Liabilities in Disposal Groups		0	0
CURRENT LIABILITIES		3,998,737	5,048,062
Long Term Creditors	17b	0	0
Provisions	18	259,000	80,000
Long Term Borrowing	16b	8,934,325	8,135,530
Other Long Term Liabilities	5,20	9,340,713	7,120,797
Donated Assets Account		0	0
Capital Grants Receipts in Advance		0	0
LONG TERM LIABILITIES		18,534,038	15,336,327
NET ASSETS		45,440,611	40,753,897
USABLE RESERVES	22a/22b	4,303,981	4,281,209
Capital Receipts Reserve	CRR 22a/22b	68,280	0
Capital Grants Unapplied Account	22a/22b	0	0
Capital Fund	22a/22b	606,135	500,000
Renewal and Repairs Fund	22a/22b	574,409	628,310
Other Balances and Reserves	22a/22b	749,442	904,013
Tullyvar Reserves	22a/22b	788,174	762,534
General Fund	Gen Fd 22a/22b	1,517,541	1,486,352
UNUSABLE RESERVES	22a/22b	41,136,630	36,472,688
Capital Adjustment Account	CAA 22a/22b	43,876,885	38,761,457
Financial Instruments Adjustment Account	22a/22b	0	0
Revaluation Reserve	22a/22b	6,243,178	4,418,887
Available for Sale Financial Instruments Reserve	22a/22b	0	0
Pensions Reserve	22a/22b	(9,273,000)	(7,026,000)
Capital Receipts Deferred Account	22a/22b	545,557	574,799
Accumulated Absences Account	22a/22b	(255,990)	(256,455)
Landfill Regulations Reserve	22a/22b	0	0
Provisions Discount Rate Reserve	22a/22b	0	0
NET WORTH		45,440,611	40,753,897

Omagh District Council
Cash Flow Statement at 31 March 2015

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority 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. The Council reports cash flows from operating activities using the indirect method, whereby net Surplus or Deficit on the Provision of Services is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing or financing cash flows.

	Notes	2014/15 £	2013/14 £
Net (surplus) or deficit on the provision of services		4,332,494	4,010,149
Adjustment to surplus or deficit on the provision of services for noncash movements		1,406,345	3,325,989
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		(3,668,195)	(1,574,070)
		<hr/>	<hr/>
Net cash flows from operating activities	21a), 21c)	2,070,644	5,762,068
Net Cash flows from Investing Activities	21d)	(4,994,110)	(5,042,629)
Net Cash flows from Financing Activities	21e)	756,901	(815,196)
Net increase or decrease in cash and cash equivalents		(2,166,565)	(95,757)
Cash and cash equivalents at the beginning of the reporting period		4,476,454	4,572,211
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		<u>2,309,889</u>	<u>4,476,454</u>

**Omagh District Council
Notes to the Financial Statements**

1a Accounting Policies

General Principles

The Statement of Accounts summarises the Council's transactions for the 2014/15 financial year and its position at the year-end of 31 March 2015. The Council is required to prepare an annual Statement of Accounts in a form directed by the Department of the Environment in accordance with regulations 4 (1) and (2) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 and the Service Reporting Code of Practice 2014/15 (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 2014/15 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 three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

iii) Contingent Assets

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

iv) Contingent Liabilities

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

v) Employee Benefits

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

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of: a) when the offer cannot be withdrawn or b) when the related restructuring costs are incurred.

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

Post Employment Benefits

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

The Northern Ireland Local Government Officers' Pension Fund

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

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

Liabilities are discounted to their value at current prices, using a discount rate of 3.2% (based on the indicative rate of return on high quality corporate bonds on the IBoxx Sterling Corporate Index, AA over 15 years with recently re-rated bonds removed from the index).

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.

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:

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

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

The 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:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market

- 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:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis

- equity shares with no quoted market prices – independent appraisal of company valuations.

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:

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

Amounts recognised as due are not credited to the Comprehensive Income and Expenditure Statement until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset 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

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.

Omagh District Council owns an Intangible Asset which relates solely to market rights. The assets were valued as at 31 March 2013 by an independent valuer from Land & Property Services. The asset is not amortised as it is considered to have an indefinite life.

The market rights are not amortised as they are deemed to have an indefinite life.

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 or weighted average costing formula.

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 Schemes

The Landfill Allowances Scheme operates under the Landfill Allowances Scheme (Northern Ireland) Regulations 2005. Local Authorities are allocated annual target figures for the maximum amount of biodegradable municipal waste that can be sent to landfill but there are no tradable allowances. It is not a 'cap and trade' scheme since landfill allowances are not tradable. For this reason, landfill allowances are not recognised as assets on the Balance Sheet.

xvi) Leases

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

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

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

The Council as Lessee

Finance Lease:

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

Lease payments are apportioned between:

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

In the instance where Omagh District Council have leased assets, those which have a lease term of 99 years or greater are included within the assets of the Council as the lease is considered to be substantially the whole economic life of the asset. This approach has been consistently applied as when Omagh District Council acts as a lessor and leases assets out on a lease term of 99 years or greater, these assets are not included within the assets of the Council.

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

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

Operating Leases:

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

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease asset (long term debtor) in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a 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
- finance income (credited to the Financing and Investment income and Expenditure line in the Comprehensive Income and Expenditure Statement)

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

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

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

xvii) Disposals and Non-Current Assets Held for Sale

Omagh District Council considers an asset to be Held for Sale when the conditions of IFRS 5 are met.

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

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

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

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

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

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

xviii) Overheads and Support Services

The costs of overheads 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 2014/15 (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:

- Corporate and Democratic Core – costs relating to the Council's status as a multi-functional, democratic organisation
- 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:

- the purchase price
- 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
- 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

- 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
- 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:

- building, installations, and fittings are depreciated on their historic value over the estimated remaining life of the asset as advised by the valuer. Depending on the type of building, installation or fitting the maximum useful life will be in the range 15 to 45 years.
- vehicles, plant and equipment (excluding IT equipment) are depreciated on a historic cost using a standard life of 5 years. IT equipment is depreciated using a standard life of 3 years.
- infrastructure based on straight-line allocation over the range of 10 to 20 years depending on the type of asset.
- heritage assets are not depreciated but are carried at historical cost.

Revaluations

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

xx) Heritage Assets

Omagh District Council's heritage assets relate to several pieces of public art. The pieces are carried at historical cost on the balance sheet and are not depreciated. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Authority's accounting policies on property, plant and equipment.

xxi) Provisions

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

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

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

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

xxii) Reserves

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

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

xxiii) Charges to Revenue for Non-Current Assets

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

- depreciation attributable to the assets used by the relevant service
- 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
- 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.

1b Accounting Standards That Have Been Issued but Have Not Yet Been Adopted

For 2014/15, the following accounting standards have been issued but not yet adopted within the Code of Practice on Local Authority Accounting

IFRS 13 Fair Value Measurement (2011)

The adoption of IFRS 13 Fair Value Measurement was deferred from the 2015/16 Code. Work has been carried out with HM Treasury to establish objectives for measuring property, plant and equipment that are consistent with the objective for the financial statements prescribed in the Code.

This work has confirmed that it is appropriate to focus on valuing the service potential and thus operating capacity used to deliver goods and services. Proposals were taken forward into the consultation for the 2015/16 Code that property, plant and equipment used to support service delivery is measured on the basis of its service potential and existing use basis. Where no market is in existence or assets are specialised, a depreciated replacement cost measurement would be needed. These assets will not be formally valued at 'fair value' and thus under the requirements of IFRS 13 will be outside its scope.

The Council is of the view that these changes will have no material impact on the authority's financial position or performance at this stage.

The Council does not have material liabilities measured on a fair value basis and therefore does not anticipate that the provision of IFRS 13 will have any material impact on liabilities.

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

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

Annual Improvements cycles 2010 - 2012 and 2011 - 2013.

The IASB carries out cyclical work to identify and implement improvements in IFRSs. The 2010 - 2012 cycle was issued in November 2013 and the 2011 - 2013 cycle was issued in December 2013. These amendments have not yet been endorsed by the European Union and this endorsement would be required to be adopted into the Code. There are no significant issues affecting the council emanating from the annual improvements work.

IFRIC 21 Levies (i.e. levies imposed by governments)

IFRIC 21 provides guidance on accounting for levies in the financial statements of the paying entity. CIPFA/LASAAC considers that the IFRIC would apply to local authorities and the 2015/16 code will be amended to reflect this.

The IFRIC relates to when to recognise a liability to pay a levy that is accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The IFRIC sets out that the obligating event that gives rise to the liability to pay a levy is the activity that triggers the payment of the levy, that the liability is recognised progressively if the obligating event occurs over time and that if an obligation is triggered on reaching a minimum threshold the liability is recognised when that threshold is reached.

The Council does not currently have any significant levies and therefore this standard will have no material impact on the financial statements.

1c Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2015 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

1) Pensions Liability

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

The effects on the net pensions liability of changes in individual assumptions can be measured. See Note 20 for Pension Sensitivity Analysis.

Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

2a Segmental Reporting Analysis - Current Year

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

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

[Comparative disclosures are reported in Note 2b]

Services	2014/15		
	Gross Expenditure	Gross Income	Net Expenditure/(Income)
	£	£	£
Culture and Heritage	1,318,907	252,691	1,066,216
Recreation and Sport	3,789,250	1,600,432	2,188,818
Tourism	214,643	35,542	179,101
Community Services	1,069,175	311,115	758,060
Leisure and Recreational Services	6,391,975	2,199,780	4,192,195
Cemetery, Cremation and Mortuary	193,018	24,064	168,954
Environmental Health	2,033,295	1,108,725	924,570
Flood Defence and Land Drainage	0	0	0
Public Conveniences	194,241	7,753	186,488
Licensing	105,255	41,934	63,321
Other Cleaning	764,344	83,002	681,342
Waste Collection	2,644,807	871,708	1,773,099
Waste Disposal	2,086,165	56,822	2,029,343
Building Control	675,031	437,365	237,666
Other Community Assets	432,047	90,487	341,560
Minor Works	341,379	9,440	331,939
Environmental Services	9,469,582	2,731,300	6,738,282
Democratic Representation and Management	1,745,685	160,107	1,585,578
Corporate Management	700,571	194,004	506,567
DRM and Corporate Management	2,446,256	354,111	2,092,145
Economic Development	2,060,312	1,384,052	676,260
Trading Services	30,270	326	29,944
Non Distributed Costs	359,000	0	359,000
Central Services to the Public	441,253	309,544	131,709
Other Services	2,890,835	1,693,922	1,196,913
CONTINUING OPERATIONS	21,198,648	6,979,113	14,219,535

**Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

2a Segmental Reporting Analysis - Current Year

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

	£	£
Net Cost of Services in Service Analysis		14,219,535
<i>Items excluded from Service Analysis:</i>		
Add amounts not reported in Service Analysis but included in Net Cost of Services in Comprehensive Income and Expenditure Statement	0	
Remove amounts reported in Service Analysis but not included in Net Cost of Services in Comprehensive Income and Expenditure Statement	0	
		<u>0</u>
Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement		14,219,535
<i>Items included in Net Operating Expenditure excluded from Service Analysis:</i>		
Other Operating Expenditure	(88,280)	
Financing and Investment Income and Expenditure	507,060	
Surplus or Deficit on Discontinued Operations	0	
		<u>418,780</u>
Net Operating Expenditure per the Comprehensive Income and Expenditure Statement		<u>14,638,315</u>

**Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

2b Segmental Reporting Analysis - Comparative Year

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

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

Services	2013/14		
	Gross Expenditure	Gross Income	Net Expenditure/(Income)
	£	£	£
Culture and Heritage	839,234	221,399	617,835
Recreation and Sport	3,120,539	801,794	2,318,745
Tourism	217,285	42,613	174,672
Community Services	1,305,381	337,657	967,724
Leisure and Recreational Services	5,482,439	1,403,463	4,078,976
Cemetery, Cremation and Mortuary	167,049	24,950	142,099
Environmental Health	1,523,723	712,058	811,665
Flood Defence and Land Drainage	0	0	0
Public Conveniences	226,382	6,043	220,339
Licensing	96,566	41,356	55,210
Other Cleaning	779,163	88,794	690,369
Waste Collection	2,121,237	342,271	1,778,966
Waste Disposal	1,990,638	112,763	1,877,875
Building Control	670,248	431,969	238,279
Other Community Assets	388,610	80,576	308,034
Minor Works	316,210	11,709	304,501
Environmental Services	8,279,626	1,850,489	6,429,137
Democratic Representation and Management	838,163	72,483	765,680
Corporate Management	705,583	225,619	479,964
DRM and Corporate Management	1,543,746	298,102	1,245,644
Economic Development	1,761,871	1,063,436	698,435
Trading Services	51,034	5,528	45,506
Non Distributed Costs	24,000	0	24,000
Central Services to the Public	401,544	306,928	94,616
Other Services	2,238,249	1,375,892	862,357
CONTINUING OPERATIONS	17,542,260	4,927,946	12,614,314

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

	£	£
Net Cost of Services In Service Analysis		12,614,314
<i>Items excluded from Service Analysis:</i>		
Add amounts not reported in Service Analysis but included in Net Cost of Services in the Comprehensive Income and Expenditure Statement	0	
Remove amounts reported in Service Analysis but not included in Net Cost of Services in the Comprehensive Income and Expenditure Statement	0	0
		<hr/>
Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement		12,614,314
<i>Items included in Net Operating Expenditure excluded from Service Analysis:</i>		
Other Operating Expenditure	(543,085)	
Financing and Investment Income and Expenditure	500,958	
Surplus or Deficit on Discontinued Operations	0	(42,127)
		<hr/>
Net Operating Expenditure per the Comprehensive Income and Expenditure Statement		12,572,187

Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

3a Adjustments between accounting basis and funding basis under regulations

		2014/15	2014/15	2013/14	2013/14
	Notes	£	£	£	£
Amounts Included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:					
Impairments (losses & reversals) of non-current assets	10a/b & 10d/e	0		0	
Derecognition (other than disposal) of non-current assets	10a/b & 10d/e	0		0	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	10a/b & 10d/e	(517,011)		317,926	
Depreciation charged in the year on non-current assets	10a/10b	2,118,541	1,601,530	1,496,322	1,814,248
Net Revenue expenditure funded from capital direction			500,000		0
Carrying amount of non current assets sold	10a/b & 10d/e	0		3,966	
Proceeds from the sale of PP&E, investment property and intangible assets	22a	(5,580)	(5,580)	(84,051)	(80,085)
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements			0		0
Net charges made for retirement benefits in accordance with IAS 19	20		2,134,000		1,935,000
Direct revenue financing of Capital Expenditure	11,22		(1,806,020)		(3,242,980)
Capital Grants and Donated Assets Receivable and Applied in year	9b		(3,662,615)		(1,490,019)
Capital Grants Receivable and Unapplied in year	9c		0		0
Rates Claw-Back Reserve	22a/22b		0		
Adjustments in relation to Short-term compensated absences	17		(465)		639
Adjustments in relation to Lessor Arrangements			29,242		30,809
Other Movement	22a/22b		24,371		0
Provisions Discount Rate Reserve Adjustment	22a/22b		0		0
Amounts not Included in the Comprehensive Income and Expenditure Statement but required by statute to be Included when determining the Movement on the General Fund Balance for the year					
Statutory Provision for the financing of Capital Investment	22a/22b		(743,099)		(815,197)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	20a		(1,513,598)		(1,324,295)
			(3,442,234)		(3,171,880)

3b Net transfers (to)/from statutory and other earmarked reserves:

		2014/15	2014/15	2013/14	2013/14
		£	£	£	£
Capital Fund					
Interest		(1,135)		(17,096)	
From Capital		101,292			
Other	22a/22b	(585,000)	(484,843)	(500,000)	(517,096)
Renewal and Repairs Fund					
Interest		(6,099)		(1,930)	
Other		(440,000)	(446,099)	(130,000)	(131,930)
Capital Receipts Reserve					
Interest		0		(16,127)	
Other	22a/22b	(82,700)	(82,700)	(13,000)	(29,127)
Other Funds					
Interest		(2,052)		(4,013)	
From Other funds		331,000			
Other	22a/22b	(174,377)	154,571	(150,000)	(154,013)
			(859,071)		(832,166)

**Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

Cost of Services on Continuing Operations

4a Miscellaneous powers to make payments

Under section 37 of the Local Government Finance Act (Northern Ireland) 2011, the council may make payments for any purpose which in its opinion are in the interests of, and will bring direct benefit to:

- a) the Council;
- b) its district or any part of its district;
- c) the inhabitants of its district or any part of its district.

Limits on special payments are calculated by reference to section 40 of the Local Government Finance Act (Northern Ireland) 2011 and for this council the resulting limit was £31,144 for 2014/15 (£30,504 in 2013/14).

The actual expenditure during 2014/15 amounted to £nil, (£nil in 2013/14).

4b External Audit Fees

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

	2014/15	2013/14
	£	£
External Audit Fees	23,518	20,000
Grant Claim Certification Fees	0	0
Other Fees	1,173	0
	24,691	20,000

Other fees relate to costs associated with auditing the National Fraud Initiative exercise. There were no other fees payable in respect of any other services provided by the appointed auditor over and above those described above (2013/14 £nil).

**Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

Cost of Services on Continuing Operations (Continued)

5 Operating and Finance Leases

Council as Lessor:

5a 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.

	2015	2014
	£	£
Long Term Debtors		
Finance leases-gross receivables	517,803	545,558
Less-Unearned finance income	0	0
Less-Unguaranteed residual value of property	0	0
Net present value	517,803	545,558

Short Term Debtors		
Finance leases-gross receivables	27,754	29,242
Less-Unearned finance income	0	0
Less-Unguaranteed residual value of property	0	0
Net present value	27,754	29,242

Gross receivables from finance leases		
No later than 1 year	27,754	29,242
Later than 1 year and no later than 5 years	97,598	102,829
Later than 5 years	420,205	442,729
Total gross receivables	545,557	574,800
Less-Unearned future finance income on finance leases	0	0
Less-Unguaranteed residual value of property	0	0
Net investment in finance leases	545,557	574,800

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

	2015	2014
	£	£
No later than 1 year	27,754	29,242
Later than 1 year and no later than 5 years	97,598	102,829
Later than 5 years	420,205	442,729
Total gross receivables	545,557	574,800

The unguaranteed residual values of the assets leased under finance leases at the end of the year are estimated at £nil (2013/14 £nil)

The accumulated allowance for uncollectable minimum lease payments receivable is £nil (2013/14 £nil)

No contingent rents were recognised as receivable by the Council.

5b **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 £342,198 (2013/14: £346,572). No contingent rents were recognised.

The lease contracts are all non-cancellable and do not include an extension option. The lease terms are between 5 and 73 years. Future minimum lease income is set out below:

	2015		2014	
	Land and buildings	Investment Properties	Land and buildings	Investment Properties
	£	£	£	£
Minimum lease rentals receivable:				
No later than 1 year	0	307,823	0	279,085
Later than 1 year and no later than 5 years	0	1,020,316	0	817,618
Later than 5 years	0	546,491	0	744,155
	0	1,874,630	0	1,840,858

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

	2015		2014	
	Land and buildings	Investment Properties	Land and buildings	Investment Properties
	£	£	£	£
Cost	0	3,800,500	0	3,822,500
Accumulated depreciation and impairments at 1 April	0	0	0	0
Depreciation charge for the year	0	0	0	0
Impairments	0	0	0	0
	0	3,800,500	0	3,822,500

Council as Lessee:

5c 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 £81,255 (2013/14 £108,340). The assets are included under Vehicles, Plant & Equipment which form an integral part of property, plant and equipment (see Note 10c-leased assets). The rentals paid for vehicles held under finance leases totalled £38,955 (2013/14 £60,043).

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

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

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
	£	£	£	£
2014/15				
Finance leases payments	29,300	73,250	0	102,550
Less: finance charges	(2,215)	(5,537)	0	(7,752)
Net present value	27,085	67,713	0	94,798
2013/14				
Finance leases payments	42,464	102,550	0	145,014
Less: finance charges	(3,509)	(7,753)	0	(11,262)
Net present value	38,955	94,797	0	133,752
2012/13				
Finance leases payments	51,396	13,164	0	64,560
Less: finance charges	(4,896)	(1,294)	0	(6,190)
Net present value	46,500	11,870	0	58,370

Included in the Balance Sheet as:

	2015	2014	2013
	£	£	£
Current liabilities	27,085	38,955	46,500
Long term liabilities	67,713	94,797	11,870
	94,798	133,752	58,370

5d **Operating Leases (Council as lessee)**

The Council has acquired its office copiers and printers by entering into operating leases with typical lives of 5 years

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

	2014/15		2013/14	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease payments	0	13,102	0	8,716
Contingent rentals	0	0	0	0
Less: Sublease payments receivable	0	0	0	0
	0	13,102	0	8,716

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

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

	2015		2014	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease rentals payable:				
No later than 1 year	0	13,102	0	8,716
Later than 1 year and no later than 5 years	0	52,410	0	34,864
Later than 5 years	0	0	0	0
	0	65,512	0	43,580

**Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

Cost of Services on Continuing Operations (Continued)

6 Employee Costs and Members' Allowances

6a Staff Costs

	2014/15	2013/14
	£	£
Salaries and wages	6,604,372	5,993,133
Employers National Insurance	416,794	399,649
Employers pension costs	1,190,898	1,020,642
Total	8,212,064	7,413,424

The above figures exclude the Western Group Environmental Health and Building Control staff. They are as follows:

	2014/15	2013/14
	£	£
Salaries and wages	1,016,497	1,089,202
Employers National Insurance	79,151	86,468
Employers pension costs	202,890	214,235
Total	1,298,538	1,389,905

All of the figures above exclude the ARC north west staff who work as part of the Rural Development Programme. The costs (£183,564) associated with these staff are disclosed in the financial statements of the ARC north west Rural Development Joint Committee.

The figures above also exclude costs in relation to staff who have been seconded out to other bodies for which their costs are fully recoverable. This includes £16,865 of pension costs paid over by Omagh District Council to NILGOSC for which the costs have been fully recouped.

In addition, agency costs during the year amounted to £34,627 (2013/14 £18,350).

The Council's current contribution rate to the NILGOSC scheme is 20%. At the last actuarial valuation, dated 31 March 2013, the Fund's assets as a whole were sufficient to meet 85% (2010: 82%) of the liabilities accrued up to that date.

6b Average Number of Employees - where FTE represents fulltime equivalent employees

	2014/15	2013/14
	FTE	FTE
Environmental services	100	98
Leisure services	42	32
Other	139	131
Total Number	281	261
	Actual Numbers	Actual Numbers
Full-time numbers employed	228	214
Part-time numbers employed	105	93
Total Number	333	307

	2014/15	2013/14
	FTE	FTE
Group	33	35
Total Number	33	35
	Actual Numbers	Actual Numbers
Full-time numbers employed	31	32
Part-time numbers employed	4	5
Total Number	35	37

6c Senior Employees' Remuneration

	2014/15	2013/14
£50,001 to £60,000	3	3
£60,001 to £70,000	2	4
£70,001 to £80,000	2	0
£80,001 to £90,000	0	0
£90,001 to £100,000	0	0
£100,001 to £110,000	0	1
£110,001 to £120,000	1	0
Total Number	8	8

6d Members' Allowances

During the year Members' allowances (paid under Part 3, Sections 31 to 36 of the Local Government Finance Act (NI) 2011), including Employer's costs, totalled £337,004 (2013/14 £307,110) and are as follows:

	2014/15	2013/14
	£	£
Salaries	0	0
Basic allowance	154,042	174,732
Mayor's & Deputy Mayor's Allowance	10,734	12,349
Special Responsibility Allowances	26,144	24,825
Dependents' carers allowance	709	467
Statutory Transition Committee Allowances	4,680	15,192
Employer costs	30,730	41,844
Mileage	11,427	26,938
Conferences and Courses	3,113	7,291
Travel & Subsistence Costs	226	390
Miscellaneous Costs	0	3,082
Severance Payments *	95,200	0
Total	337,005	307,110

* Severance payments shown above are made under the Local Government (Severance Payments to Councillors) Regulations (NI) 2013 and are fully funded by the Northern Ireland Executive.

**Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

6e Exit Packages

During the year the Council agreed a number of exit packages. Total cost per band and total cost of the compulsory and other redundancies are set out in the table below.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
£0 to £20,000	0	0	0	3	0	3	0	23,400
£20,001 to £40,000	0	0	1	0	1	0	22,548	0
£40,001 to £60,000	0	0	0	0	0	0	0	0
£60,001 to £80,000	0	0	0	0	0	0	0	0
£80,001 to £100,000	0	0	0	0	0	0	0	0
£100,001 to £150,000	0	0	1	0	1	0	155,000	0
Total	0	0	2	3	2	3	177,548	23,400

**Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

7 Other Operating Expenditure

7a Surplus/Deficit on Non-Current Assets (excl Investment Properties)

	2014/15	2013/14
	£	£
Proceeds from sale	(5,580)	(84,051)
Carrying amount of non-current assets sold (excl Investment Properties)	0	3,966
	(5,580)	(80,085)

7b Other Operating Income/Expenditure

	2014/15	2013/14
	£	£
Contributions	(82,700)	(13,000)
Tullyvar Dividend	0	(450,000)
	(82,700)	(463,000)

Summary

Other Operating Gross Income	(88,280)	(463,000)
Other Operating Gross Expenditure	0	(80,085)

Summary of Other Operating expenditure:

	£	£
Surplus/Deficit on Non-Current Assets	(5,580)	(80,085)
Other Operating Income/Expenditure	(82,700)	(463,000)
Total Other Operating expenditure	(88,280)	(543,085)

8 Financing and Investment Income and Expenditure

8a Interest Payable and Similar Charges

	2014/15	2013/14
	£	£
Lease/hire purchase interest	3,509	6,003
Bank charges	11,450	5,035
Loan Interest	529,801	570,002
Other interest (please specify)	0	0
	544,760	581,040

8b Interest and Investment Income

	2014/15	2013/14
	£	£
Bank interest	(2,458)	(3,807)
Car loan interest		(345)
<i>Investment income on Fund Balances</i>		
Capital Fund	(1,135)	(17,096)
Capital Receipts	0	(16,127)
Other Funds R&R	(6,099)	(1,930)
Other Funds	(2,052)	(4,013)
Other Investment income	(10,758)	(9,191)
	(22,502)	(52,509)

8c Pensions interest costs

	2014/15	2013/14
	£	£
Net interest on the net defined benefit liability (asset)	269,000	325,000
	269,000	325,000

8d

Surplus/(Deficit) on trading operations

	2014/15	2013/14
	£	£
Income from trading	0	0
Expenditure	0	0
(Surplus)/Deficit for the year	0	0

8e Income, Expenditure and changes in Fair Value of Investment Properties

	2014/15	2013/14
	£	£
Income/Expenditure from Investment Properties:		
Income including rental income	(342,198)	(346,573)
Expenditure	0	0
De-recognition in relation to amounts written off	0	0
<i>Net income from investment properties</i>	(342,198)	(346,573)
Surplus/deficit on sale of Investment Properties:		
Proceeds from sale	0	0
Carrying amount of investment properties sold	0	0
<i>(Surplus)/deficit on sale of Investment Properties.</i>	0	0
Changes In Fair Value of Investment Properties		
	58,000	(6,000)
	(284,198)	(352,573)

Summary

Financing and Investment Gross Income	(364,700)	(405,082)
Financing and Investment Gross Expenditure	871,760	906,040

Summary of Financing and Investment Income and Expenditure:

	2014/15	2013/14
	£	£
Interest Payable and Similar Charges	544,760	581,040
Interest and Investment Income	(22,502)	(52,509)
Pensions interest cost	269,000	325,000
Surplus/(Deficit) on trading operations	0	0
Changes in Fair Value of Investment Properties	58,000	(6,000)
Other investment income	(342,198)	(346,573)
Total Financing and Investment Income and Expenditure	507,060	500,958

	2014/15			2013/14		
	Gross Expenditure	Gross Income	Net Cost	Gross Expenditure	Gross Income	Net Cost
	£	£	£	£	£	£
Interest Payable and Similar Charges	544,760	0	544,760	581,040	0	581,040
Interest and Investment Income	0	22,502	(22,502)	0	52,509	(52,509)
Pensions interest cost	269,000	0	269,000	325,000	0	325,000
Surplus/(Deficit) on trading operations	0	0	0	0	0	0
Changes in Fair Value of Investment Properties	58,000	0	58,000	0	6,000	(6,000)
Other investment income	0	342,198	(342,198)	0	346,573	(346,573)
	871,760	364,700	507,060	906,040	405,082	500,958

Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

9 Taxation and Non-Specific Grant Income

9a Revenue Grants

	2014/15	2013/14
	£	£
General	1,850,951	1,836,168
Other	0	0
Other	0	0
Other	0	0
	1,850,951	1,836,168

9b Capital Grants and Donated Assets-Applied

	2014/15	2013/14
	£	£
Government & Other Grants-Conditions met and applied in year	3,662,615	1,490,019
Government & Other Grants-Transfer from receipts in advance	0	0
Donated Assets-Conditions met	0	0
Donated Assets-Transfer from donated assets creditor	0	0
	3,662,615	1,490,019

9c Capital Grants-Unapplied

	2014/15	2013/14
	£	£
Government & Other Grants-Conditions met and not applied in year	0	0
Other	0	0
	0	0

9d District Rates

	2014/15	2013/14
	£	£
Current year	13,457,243	13,256,149
Finalisation - previous year	0	0
Transitional Relief	0	0
Finalisation - other years	0	0
	13,457,243	13,256,149

Summary of Taxation and Non-Specific Grant Income:

	2014/15	2013/14
	£	£
District Rates Income	13,457,243	13,256,149
Revenue Grants	1,850,951	1,836,168
Capital Grants and Contributions	3,662,615	1,490,019
Total Taxation and Non-Specific Grant Income	18,970,809	16,582,336

Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

10a Long-Term Assets Note - Current Year

	Property, Plant & Equipment (PP&E)										TOTAL	
	Land	Buildings	Infrastructure Assets	Landfill Site	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Investment Properties		Intangible Assets
	£	£	£	£	£	£	£	£	£	£	£	£
Cost or Valuation												
At 1 April 2014	5,562,427	27,905,917	2,384,040	0	5,198,808	555,558	7,746,584	306,001	49,659,335	4,958,500	100,000	54,717,836
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	5,562,427	27,905,917	2,384,040	0	5,198,808	555,558	7,746,584	306,001	49,659,335	4,958,500	100,000	54,717,836
Additions (Note 11)	0	300,074	0	0	3,066,528	0	5,978,487	22,255	7,367,344	0	0	7,367,344
Donations	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation increases/decreases to Revaluation Reserve	270,000	1,354,787	211,950	0	0	0	0	0	1,836,737	0	0	1,836,737
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	0	575,011	0	0	0	0	0	0	575,011	(58,000)	0	517,011
Derecognition - Disposals	0	0	0	0	(14,583)	0	0	0	(14,583)	0	0	(14,583)
Derecognition - Other	0	(605,362)	0	0	0	0	0	0	(605,362)	0	0	(605,362)
Reclassifications & Transfers	0	8,759,772	1,094,207	0	0	0	(9,853,979)	0	0	0	0	0
Reclassified to Held for Sale	0	0	0	0	(12,965)	0	0	0	(12,965)	0	0	(12,965)
Reclassified from Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0
Adjustment-Landfill Deferred Charge (Note 18)	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2015	5,832,427	38,290,199	3,690,197	0	6,237,788	555,558	3,871,092	328,256	56,805,517	4,900,500	100,000	63,806,017
Depreciation and Impairment												
At 1 April 2014	0	966,142	517,496	0	3,545,956	82,331	0	0	5,111,925	0	0	5,111,925
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	0	966,142	517,496	0	3,545,956	82,331	0	0	5,111,925	0	0	5,111,925
Depreciation Charge	0	1,387,628	174,147	0	543,245	13,521	0	0	2,118,541	0	0	2,118,541
Depreciation written out on Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0
Derecognition - Disposals	0	0	0	0	(14,583)	0	0	0	(14,583)	0	0	(14,583)
Derecognition - Other	0	(605,362)	0	0	0	0	0	0	(605,362)	0	0	(605,362)
Reclassifications & Transfers	0	0	0	0	0	0	0	0	0	0	0	0
Eliminated on reclassification to Held for Sale	0	0	0	0	(12,965)	0	0	0	(12,965)	0	0	(12,965)
At 31 March 2015	0	1,748,408	691,643	0	4,061,653	95,852	0	0	6,597,566	0	0	6,597,566
Net Book Value												
At 31 March 2015	5,832,427	36,541,791	2,998,554	0	2,176,135	459,706	3,871,092	328,256	52,207,951	4,900,500	100,000	57,208,461
At 31 March 2014	5,562,427	26,938,778	1,866,544	0	1,652,852	473,227	7,746,584	306,001	44,547,410	4,958,500	100,000	49,505,910

Intangible Assets
Omagh District Council owns an intangible asset which relates solely to market rights. The asset was valued at 1 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.

Investment properties
In line with IAS 40 Investment Property, the properties have been valued at 31 March 2015 by an independent valuer from Land and Property Services.

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. Please refer to note 14(xviii) for further information on revaluation and depreciation policies.

As at 31 March 2015, indices provided by Land and Property Services were applied to categories of assets to reflect market changes.

Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

10b Long-Term Assets Note - Comparative Year

	Property, Plant & Equipment (PPAE)										TOTAL	
	Land	Buildings	Infrastructure Assets	Landfill Site	Equipment	Vehicles, Plant & Equipment	Community Assets	PPAE Under Construction	Surplus Assets	Total PPAE		Investment Properties
	£	£	£	£	£	£	£	£	£	£	£	£
Cost or Valuation At 1 April 2013	6,423,387	27,822,028	1,280,349	0	5,115,897	555,558	3,735,092	663,051	45,595,362	4,552,500	100,000	50,247,862
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	6,423,387	27,822,028	1,280,349	0	5,115,897	555,558	3,735,092	663,051	45,595,362	4,552,500	100,000	50,247,862
Additions (Note 11)	36,241	245,999	0	0	366,894	0	7,146,200	0	7,795,334	0	0	7,795,334
Donations	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation increases/decreases to Revaluation Reserve	(464,536)	(2,337,066)	0	0	0	0	0	(61,686)	(2,863,288)	0	0	(2,863,288)
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	(122,211)	(136,991)	0	0	0	0	0	(64,724)	(323,926)	6,000	0	(317,926)
Derogation - Disposals	(3,968)	0	0	0	(155,768)	0	0	0	(159,734)	0	0	(159,734)
Derogation - Other	13,000	120,361	0	0	0	0	0	0	133,361	0	0	133,361
Recognition - Other	(329,929)	2,181,586	1,105,691	0	(145,113)	0	(3,134,708)	(230,640)	(400,000)	400,000	0	0
Reclassifications & Transfers Reclassified to Held for Sale	0	0	0	0	(145,113)	0	0	0	(145,113)	0	0	(145,113)
Reclassified from Held for Sale	10,441	0	0	0	16,898	0	0	0	27,339	0	0	27,339
Adjustment-Landfill Deferred Charge (Note 18)	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2014	5,562,427	27,905,917	2,384,040	0	5,198,808	555,558	7,746,564	306,001	49,659,335	4,958,500	100,000	54,717,835
Depreciation and Impairment At 1 April 2013	0	2,847,271	398,059	0	3,432,717	68,810	0	0	6,746,857	0	0	6,746,857
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	0	2,847,271	398,059	0	3,432,717	68,810	0	0	6,746,857	0	0	6,746,857
Depreciation Charge	0	966,142	118,437	0	397,222	13,521	0	0	1,495,322	0	0	1,495,322
Depreciation written out on Revaluation Reserve	0	(2,847,271)	0	0	0	0	0	0	(2,847,271)	0	0	(2,847,271)
Depreciation written out on Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0
Derogation - Disposals	0	0	0	0	(155,768)	0	0	0	(155,768)	0	0	(155,768)
Derogation - Other	0	0	0	0	16,898	0	0	0	16,898	0	0	16,898
Reclassifications & Transfers Eliminated on reclassification to Held for Sale	0	0	0	0	(145,113)	0	0	0	(145,113)	0	0	(145,113)
At 31 March 2014	0	966,142	517,496	0	3,545,956	82,331	0	0	5,111,925	0	0	5,111,925
Net Book Value At 31 March 2014	5,562,427	28,939,775	1,966,544	0	1,652,852	473,227	7,746,564	306,001	44,547,410	4,958,500	100,000	49,605,910
At 31 March 2013	6,423,387	24,974,757	882,290	0	1,883,180	488,748	3,735,092	663,051	38,848,505	4,552,500	100,000	43,261,005

Intangible Assets
Omagh District Council owns an intangible asset which relates solely to market rights. The assets were valued as at 1 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

Investment properties
In line with IAS 40, Investment Property, the properties have been valued at 31 March 2014 by an independent valuer from Land and Property Services.
Reclassifications & Transfers relates to land in connection with the Public Prosecution Services building which has been moved from operational land to investment properties

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. Please refer to note 1A(xxx) for further information on revaluation and depreciation policies

As at 31 March 2014, indices provided by Land and Property Services were applied to categories of assets to reflect market changes since 1 April 2013

Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

10c Long-Term Assets - Leased Assets
At 31 March 2015

LEASED ASSETS (included within vehicles, plant and equipment)	Vehicles £	Equipment £	TOTAL £
Cost or Valuation			
At 1 April 2014	1,017,407	59,090	1,076,497
Additions	0	0	0
Disposals	53,625	0	53,625
At 31 March 2015	1,071,032	59,090	1,130,122
Depreciation			
At 1 April 2014	909,067	59,090	968,157
Disposals	53,625	0	53,625
Provided for year	27,085	0	27,085
At 31 March 2015	989,777	59,090	1,048,867
Net Book Value			
At 31 March 2015	81,255	0	81,255
At 31 March 2014	108,340	0	108,340

Comparative Year

LEASED ASSETS (included within vehicles, plant and equipment)	Vehicles £	Equipment £	TOTAL £
Cost or Valuation			
At 1 April 2013	2,059,578	96,465	2,156,043
Additions	135,425	0	135,425
Disposals	(1,177,596)	(37,375)	(1,214,971)
At 31 March 2014	1,017,407	59,090	1,076,497
Depreciation			
At 1 April 2013	2,013,078	96,465	2,109,543
Disposals	(1,177,596)	(37,375)	(1,214,971)
Provided for year	73,585	0	73,585
At 31 March 2014	909,067	59,090	968,157
Net Book Value			
At 31 March 2014	108,340	0	108,340
At 31 March 2013	46,500	0	46,500

**Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

Heritage Assets

10d

Cost or Valuation	Art Sculptures £	Total Assets £
At 1 April 2013	88,985	88,985
Additions	0	0
Disposals	0	0
Derecognition - Other	0	0
Revaluation Increases/(Decreases) to Revaluation Reserve	0	0
Revaluation Increases/(Decreases) to Surplus or Deficit on the Provision of Services	0	0
Impairment (Losses)/Reversals recognised in the Revaluation Reserve	0	0
Impairment (Losses)/Reversals recognised in Surplus or Deficit on the Provision of Services	0	0
At 31 March 2014	88,985	88,985
Cost or Valuation		
At 1 April 2014	88,985	88,985
Additions	0	0
Disposals	0	0
Derecognition - Other	0	0
Revaluation Increases/(Decreases) to Revaluation Reserve	0	0
Revaluation Increases/(Decreases) to Surplus or Deficit on the Provision of Services	0	0
Impairment (Losses)/Reversals recognised in the Revaluation Reserve	0	0
Impairment (Losses)/Reversals recognised in Surplus or Deficit on the Provision of Services	0	0
At 31 March 2015	88,985	88,985

Omagh District Council's heritage assets relate to several pieces of public art. The pieces are carried at historical cost on the balance sheet and are not depreciated.

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

**Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

10e Assets Held for Sale

At 31 March 2015	Assets Held for Sale-Current	Assets Held for Sale-Non-current	TOTAL
	£		£
Cost or Valuation			
At 1 April 2014	24,678	0	24,678
Transferred from Non-Current Assets during year	0	0	0
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	0	0	0
Derecognition - Disposals	0	0	0
Derecognition - Other	0	0	0
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	0	0	0
Transferred to Property, Plant & Equipment during year	0	0	0
At 31 March 2015	24,678	0	24,678
Impairment			
At 1 April 2014	0	0	0
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	0	0	0
Derecognition - Disposals	0	0	0
Derecognition - Other	0	0	0
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	0	0	0
Transferred to Property, Plant & Equipment during year	0	0	0
At 31 March 2015	0	0	0
Net Book Value			
At 31 March 2015	24,678	0	24,678
At 31 March 2014	24,678	0	24,678

The Council intends to dispose of a piece of land at Gillygooley Road that it no longer uses. The Council is finalising the sale of the land.

A number of vehicles have also been earmarked for disposal as part of the management of the Council's fleet of vehicles. At 31 March 2015, these vehicles had a net book value of £nil (historical cost value £237,293 (2013-2014 £269,228)).

Comparative Year

At 31 March 2014	Assets Held for Sale-Current	Assets Held for Sale-Non-current	TOTAL
	£		£
Cost or Valuation			
At 1 April 2013	35,119	0	35,119
Transferred from Non-Current Assets during year		0	0
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	0	0	0
Derecognition - Disposals	0	0	0
Derecognition - Other	0	0	0
Transferred to to Property, Plant & Equipment during year	(10,441)	0	(10,441)
At 31 March 2014	24,678	0	24,678
Impairment			
At 1 April 2013	0	0	0
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	0	0	0
Derecognition - Disposals	0	0	0
Derecognition - Other	0	0	0
Transferred to to Property, Plant & Equipment during year	0	0	0
At 31 March 2014	0	0	0
Net Book Value			
At 31 March 2014	24,678	0	24,678
At 31 March 2013	35,119	0	35,119

**Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

10f Investment Properties

The following items of income and expense have been recognised in the Comprehensive Income and Expenditure Statement:

	2014/15	2013/14
	£	£
Rental income from investment property	342,198	346,573
Direct operating expenses arising from investment property	0	0
Net gain/(loss)	342,198	346,573

Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

11 Capital Expenditure and Capital Financing

	2014/15	2013/14
	£	£
Opening Capital Financing Requirement	8,653,251	9,347,479
<i>Capital Investment</i>		
Property, Plant and Equipment	7,367,344	7,795,334
Investment Properties	0	0
Intangible Assets	0	0
Revenue Expenditure Funded from Capital Direction	500,000	0
Movement in Tullyvar	(87,486)	(18,522)
<i>Sources of Finance</i>		
Capital Receipts	(20,000)	(1,128,299)
Government Grants and Other Contributions	(3,662,615)	(1,490,019)
Transfers from Earmarked Reserves	(878,708)	(1,794,545)
<i>Sums set aside from Revenue:</i>		
Direct Revenue Contributions	(1,806,020)	(3,242,980)
Minimum Revenue Provision **	(743,099)	(815,197)
Closing Capital Financing Requirement	9,322,667	8,653,251

Explanation of Movements In Year		
Increase in underlying need to borrow	669,416	(694,228)
Assets acquired under finance leases	0	0
Assets acquired under PFI/PPP contracts	0	0
Increase/(decrease) in Capital Financing Requirement	669,416	(694,228)

Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

12 Future Capital Commitments

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

	Gross Cost £	Grant Aid £	Net Cost £
Schemes underway	2,195,000	2,000,000	195,000
Other Commitments	10,923,724	4,665,000	6,258,724
Total	13,118,724	6,665,000	6,453,724

At 31 March 2015 the outstanding capital commitments of Omagh District Council were transferred into Fermanagh and Omagh District Council. Omagh District Council had a number of projects underway and a number of other commitments for which funds have been earmarked to allow them to progress.

	Gross Cost £	Grant Aid £	Net Cost £
Schemes underway	1,028,187	598,187	430,000
Other Commitments	650,000	0	650,000
Total	1,678,187	598,187	1,080,000

13 Inventories

	2014/15 £	2013/14 £	2012/13 £
Depot Stores	107,425	142,274	119,163
Leisure Stores	24,578	7,873	8,311
Stationery Stores	11,936	14,029	13,284
TIC Stores	740	2,519	7,362
Other	71,586	26,442	26,773
Total	216,265	193,137	174,893

The cost of inventories recognised as expense and included in 'services' amounted to £52,640 (2013/14: £11,364)

**Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

14a Tullyvar Landfill Site

Tullyvar Joint Committee is a landfill site jointly owned and managed by Dungannon and South Tyrone Borough Council and Omagh District Council.

The financial provision for landfill capping and aftercare costs was reviewed in the year and discounted in accordance with IAS 37, this resulted in a total discounted provision of £2,674,427 (2013/14 £2,688,052). Also, in accordance with IAS 37, the provision is based on the percentage utilisation of the site to date which is calculated to be £2,374,891 (2013/14 £2,499,888). The Northern Ireland Environment Agency have reviewed Tullyvar's financial provision for landfill capping and aftercare costs in line with its paper "Financial Provision for waste management activities in NI" and have confirmed they are comfortable with the current provision.

Golder Associates were contracted during the period to conduct a review of the site's gas generation potential and have modelled the income projection. The future projected discounted gas income is £1,582,531 over the next 12 years (2013/14 £1,658,880 over 13 years.)

The value of Omagh's investment in Tullyvar is £2,726,876 (2013/14 £2,582,795) which represents half of Tullyvar's net assets employed and is broken down as follows:-

50% Share	2014/15	2013/14
	£	£
Long term assets	2,885,871	2,918,462
Current assets	1,747,195	2,113,977
Current Liabilities	(718,744)	(1,199,700)
Provisions - landfill	(1,187,446)	(1,249,944)
Net investment in Tullyvar	2,726,876	2,582,795
Accumulated Reserves	2,726,876	2,582,795

The movement in Omagh's investment in Tullyvar - increase of £144,081 (2013/14 - increase of £392,339) is broken down as follows:

Movement in Investment (50% share)	2014/15	2013/14
	£	£
Sales	396,214	431,913
Gas Income	-13,174	350,040
Other	5,684	18,138
Total Income	388,724	800,091
Administration	120,318	119,693
Operating costs	242,765	393,418
Total costs	363,083	513,111
Distribution of funds	0	450,000
Revaluation reserve movement	118,440	555,359
Net Movement	144,081	392,339

14b Environmental Health and Building Control Group Costs

Omagh District Council is the employer Council for the Western Environmental and Western Building Control Group Committees. All costs are recouped from the constituent Councils are follows:

Environmental Health Group Committee (Western Area)		
	£	£
Net Group Expenditure		473,921
Apportioned:		
Omagh District Council	86,159	
Fermanagh District Council	104,926	
Limavady Borough Council	44,264	
Derry City Council	188,810	
Strabane District Council	49,762	

Building Control Group Committee (Western Area)		
	£	£
Net Group Expenditure		196,545
Apportioned:		
Omagh District Council	44,419	
Fermanagh District Council	55,426	
Cookstown District Council	28,499	
Dungannon & South Tyrone Borough Council	46,188	
Strabane District Council	22,013	

The Council receives administration income of £31,927 in respect of Environmental Health and Building Control Group. At the year end, debts due from the Councils re. group charges was £2,037 and amounts owing to Councils were £67,789.

From 1 April 2015, the Group structures ceased to exist and the core functions have been subsumed into the new Council structure with key services continuing to be delivered either on a shared service basis where appropriate or directly by the new council.

14c Rural Development Programme

ARC north west is the delivery mechanism for the Northern Ireland Rural Development Programme (NIRDP) 2007-2013. It comprises the Council areas of Derry City Council, Limavady Borough Council, Omagh District Council and Strabane District Council. NIRDP is funded by the European Agricultural Fund for Rural Development and the Department of Agriculture and Rural Development (DARD). Omagh District Council acts as the Administrative Council with responsibility for all financial and administrative matters.

Omagh District Council administers the payments and income for ARC north west but these transactions are not reflected in Omagh District Council's accounts. Instead they are reflected in the ARC north west Joint Committee annual report and accounts for the year ended 31 March 2015. These statements are subject to separate approval and audit.

Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

15 Debtors

	2014/15	2013/14	2012/13
	£	£	£
15a Long Term Debtors			
*Government Departments	0	0	0
Other Councils	0	0	0
Public corporations and trading funds	0	0	0
Bodies external to general government	0	0	0
Employee car loans	0	0	0
Grants	0	0	0
Loans and advances	0	0	0
Finance lease debtors-Note 5c)	517,803	545,558	574,800
Trade debtors	0	0	0
NIHE Loans	0	0	0
Other	0	0	0
Impairment of loans and receivables	0	0	0
Total Long-Term Debtors	517,803	545,558	574,800
15b Short Term Debtors			
*Government Departments	1,381,901	588,365	1,102,268
Other Councils	536,868	137,791	223,363
Public corporations and trading funds	0	0	0
Bodies external to general government	0	0	0
Employee car loans	0	0	5,312
Grants	1,876,409	1,635,840	1,629,776
Value Added Tax	470,221	362,778	357,561
Prepayments	52,616	74,108	76,907
Finance lease debtors-Note 5c)	27,754	29,242	30,809
Other	117,651	577,399	632,558
Trade receivables	530,944	319,362	403,851
Impairment loss - Trade receivables	- 113,935	-104,116	-106,508
Total Short-Term Debtors	4,880,429	3,620,769	4,365,897
Total Debtors	5,398,232	4,166,327	4,930,697

The increase in debtors is largely due to the timing of grant aid payments from Government Departments.

**Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

16a Short Term Borrowing

	2014/15	2013/14	2012/13
	£	£	£
Loans re-payable within one year	701,205	704,142	755,132
Finance Lease Principal	27,085	38,955	46,500
Total Short Term Borrowing	728,290	743,097	801,632

16b Long Term Borrowing

	2014/15	2013/14	2012/13
	£	£	£
Between 1 and 2 years	757,283	660,263	704,164
Between 2 and 5 years	2,100,598	1,894,969	1,946,815
Between 5 and 10 years	3,407,513	2,998,598	3,042,582
In more than 10 years	2,668,931	2,581,700	3,146,133
Government Loans Fund	8,934,325	8,135,530	8,839,694
Total Borrowing	9,662,615	8,878,627	9,641,326

Interest rates on Government Loans range between 2.3% and 15%.

17a Short Term Creditors

	2014/15	2013/14	2012/13
	£	£	£
Government Departments	180,522	469,100	178,290
Other Councils	440,374	124,415	222,530
Public corporations and trading funds	0	0	0
Bodies external to general government	0	0	0
Rates clawback	0	0	0
Remuneration due to employees	48,895	7,730	8,915
Accumulated Absences	255,990	256,455	255,816
Receipts in advance	59,104	322,551	311,962
Trade creditors	2,200,835	3,032,553	1,967,378
Other	34,727	52,161	125,919
Total Short Term Creditors	3,230,447	4,264,965	3,070,810

17b Long Term Creditors

	2014/15	2013/14	2012/13
	£	£	£
Other creditors falling due after more than one year			
Government Departments	0	0	0
Other Councils	0	0	0
Public corporations and trading funds	0	0	0
Bodies external to general government	0	0	0
Rates clawback	0	0	0
Other	0	0	0
Total Long Term Creditors	0	0	0
Total Creditors	3,230,447	4,264,965	3,070,810

Payment of Invoices

District Councils are encouraged to pay suppliers as promptly as possible and to endeavour to meet the 10 day prompt payment commitment made by the Northern Ireland Executive.

The default target for paying invoices, where no other terms are agreed, is 30 days. NB: 30 days target is 30 calendar days and 10 days is 10 working days.

During the year the Council paid approximately 5,740 invoices with all creditor payments totalling £17.1M

The Council paid 4,722 (82%) invoices within the 30 day target.

The Council paid 2,149 (37%) invoices within the 10 day target.

The Council paid 1,018 (18%) invoices outside of the 30 day target.

Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

18 Provisions

	At 1 April 2014	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	At 31 March 2015
	£	£	£	£	£	£
Single status	0	0	0	0	0	0
Election expenses	0	0	0	0	0	0
Landfill closure	120,000	63,460	63,460	0	0	120,000
Redundancy	0	179,000	0	0	0	179,000
Claims management	0	0	0	0	0	0
Other	0	0	0	0	0	0
	120,000	242,460	63,460	0	0	299,000

Current Provisions	40,000	63,460	63,460	0	0	40,000
Long Term Provisions	80,000	179,000	0	0	0	259,000
	120,000	242,460	63,460	0	0	299,000

Comparative Year

	At 1 April 2013	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	At 31 March 2014
	£	£	£	£	£	£
Single status	0	0	0	0	0	0
Election expenses	0	0	0	0	0	0
Landfill closure	120,000	16,987	16,987	0	0	120,000
Reorganisation	0	0	0	0	0	0
Claims management	0	0	0	0	0	0
Other	0	0	0	0	0	0
	120,000	16,987	16,987	0	0	120,000

Current Provisions	40,000	16,987	16,987	0	0	40,000
Long Term Provisions	80,000	0	0	0	0	80,000
	120,000	16,987	16,987	0	0	120,000

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

To meet the anticipated costs with the early release of staff as a result of Local Government Reform a provision has been established in 14/15.

Contingent Liabilities

There are a number of outstanding legal cases ongoing surrounding employment issues. The value of any final settlement is still unknown but based on current negotiations it is deemed to be immaterial.

**Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

19 Financial Instruments

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

Credit Risk

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

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

	£
Less than three months	£372,133
Three to six months	£55,691
Six months to one year	£3,834
More than one year	£99,286
	£530,944

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

Liquidity Risk

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

Market Risk

Interest rate risk

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

Foreign exchange risk

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

Fair Value of Soft Loans and Government Loans

The Council is in receipt of loans from the Department of Finance and Personnel that differ from the prevailing market rates. The fair value of these loans is £12,445,895, analysed as follows.

	£
Government Loans	12,445,895
Market Loans	0
Total	12,445,895

The Council has made no loans to voluntary organisations or external bodies during the year at less than market rates.

**Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

20 Retirement Benefits

20a 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.

Omagh District Council are a group employer for Environmental Health, Building Control and The Rural Development Programme. The results below are inclusive of all group members and not just relating to Omagh District Council employees.

20b Transactions relating to retirement benefits - Comprehensive Income and Expenditure Statement Charges:

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

However, the charge the Council is required to make against district rates is based on the cash payable in the year, and the real cost of retirement benefits is reversed out in the adjustments between accounting basis & funding basis under regulations line, in the Movement on Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the adjustments between accounting basis & funding basis under regulations line, in the Movement on Reserves Statement during the year.

	Note	2014/15	2013/14
		£	£
Net cost of services:			
Current service cost		1,840,000	1,586,000
Past service cost/(gain)		25,000	24,000
Gains and losses on settlements or curtailments		0	0
Net operating expenditure:			
Net Interest on net defined benefit Liability (asset)		269,000	325,000
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services		2,134,000	1,935,000
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(2,134,000)	(1,935,000)
Actual amount charged against the general fund balance for pensions in the year:			
Employers' contributions payable to scheme		1,513,598	1,324,295
Net charge to the Comprehensive Income and Expenditure Statement		(620,402)	(610,705)

The service cost figures include an allowance for administration expenses of £0.022M

Remeasurements recognised in Other Comprehensive Income and Expenditure

	Note	2014/15	2013/14
Liability gains/(losses) due to change in assumptions		5,777,000	(938,000)
Liability experience gains/(losses) arising in the year		(216,000)	395,000
Actuarial gains/(losses) on plan assets		(3,910,000)	(607,000)
Other		(15,000)	
Total gains/(losses) recognised in Other Comprehensive Income and Expenditure		1,636,000	(1,150,000)

20c Assets and liabilities in relation to retirement benefits

Reconciliation of present value of the scheme liabilities:

	Note	2014/15	2013/14
		£	£
Balance as at 1 April		50,791,000	48,313,000
Current service cost		1,840,000	1,586,000
Interest cost		2,168,000	2,251,000
Contributions by members		475,000	418,000
Remeasurement (gains) and losses:			
- Actuarial gains/losses arising on liabilities from experience		(200,000)	395,000
- Actuarial gains/losses arising from demographic changes		0	(1,683,000)
- Actuarial gains/losses arising from changes in financial assumptions		5,757,000	760,000
- Other (if applicable)			
Past service costs/(gains)		25,000	24,000
Losses/(gains) on curtailments		0	0
Liabilities extinguished on settlements		0	0
Estimated unfunded benefits paid		0	0
Estimated benefits paid		(1,258,000)	(1,273,000)
Balance as at 31 March		59,598,000	50,791,000

Reconciliation of present value of the scheme assets:

	Note	2014/15	2013/14
		£	£
Balance as at 1 April		44,079,001	41,060,001
Interest Income		1,912,000	1,941,000
Contributions by members		475,000	418,000
Contributions by employer		1,497,707	1,318,385
Contributions in respect of unfunded benefits		15,891	5,910
Remeasurement gain/(loss)		3,910,000	607,000
Assets distributed on settlements		9,401	1,705
Unfunded benefits paid		0	0
Benefits paid		(1,258,000)	(1,273,000)
Balance as at 31 March		50,641,000	44,079,001

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

The actual return on scheme assets in the year was a gain of £5,822k (2013/14 gain of £2,548k).

Fair Value of Plan Assets

	31/03/2015	31/03/2014	31/03/2013
	£	£	£
Equity investments	36,968,000	32,707,000	31,041,000
Bonds	6,178,000	5,289,000	4,681,000
Property	6,381,000	4,937,000	3,162,000
Cash	1,013,000	1,146,000	1,930,000
Other	101,000		246,000
	50,641,000	44,079,000	41,060,000

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

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

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

	31/03/2015	31/03/2014	31/03/2013
	£	£	£
Fair Value of Employer Assets	50,641,000	44,079,000	41,060,000
Present value of funded defined benefit obligation	(59,598,000)	(50,791,000)	(48,313,000)
Pension asset/(liability) of Funded Scheme	(8,957,000)	(6,712,000)	(7,253,000)
Present Value of unfunded defined benefit obligation	(316,000)	(314,000)	(327,000)
Other movement in the liability (asset) (if applicable)	0	0	0
Net asset/(liability) arising from the defined benefit obligation	(9,273,000)	(7,026,000)	(7,580,000)
<i>Amount in the Balance sheet:</i>			
Liabilities	(9,273,000)	(7,026,000)	(7,580,000)
Assets	0	0	0
Net Asset/(Liability)	(9,273,000)	(7,026,000)	(7,580,000)

20d

Scheme history

Analysis of scheme assets and liabilities

	31/03/2015	31/03/2014	31/03/2013
	£	£	£
Fair Value of Assets in pension scheme	50,641,000	44,079,001	41,060,001
Present Value of Defined Benefit Obligation	(59,598,000)	(50,791,000)	(48,313,000)
Surplus/(deficit) in the Scheme	(8,957,000)	(6,711,999)	(7,252,999)

Amount recognised in Other Comprehensive Income and Expenditure:

	31/03/2015	31/03/2014	31/03/2013
	£	£	£
Actuarial gains/(losses)	(5,546,000)	543,000	(3,503,000)
Expected Return on Plan Assets	3,910,000	607,000	4,341,000
Adjustment on employer contributions	9,402	1,705	156,317
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	0	0	0
Remeasurements recognised in Other Comprehensive Income and Expenditure	(1,626,598)	1,151,705	994,317
Cumulative actuarial gains and losses	(4,404,576)	(2,777,978)	(3,929,683)

History of experience gains and losses:

Experience gains and (losses) on assets	3,910,000	607,000	4,341,000
Experience gains and (losses) on liabilities	(200,000)	395,000	(35,000)

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £59,914,000 has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in a net liability of £9,273,000.

However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit on the Northern Ireland Local Government Officers' Pension Fund will be made good by increased contributions over the remaining working life of employees, assessed by the scheme actuary.

Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2016

	31/03/2016	31/03/2016
Net Interest on the net defined benefit liability (asset)	272,000	0.0%
Past service cost	0	0.0%
Gains and losses on settlements or curtailments	0	0.0%
	272,000	0.0%

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the council in the year to 31 March 2016 is £1.538m.

History of experience gains and losses

The actuarial gains identified as movements on the Pensions Reserve 2014/15 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2015

	31/03/2015	31/03/2014	31/03/2013
	%	%	%
Experience (gains and (losses) on Assets	7.7%	1.4%	10.6%
Experience gains and (losses) on Liabilities	0.3%	-0.8%	0.1%

20e 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 Hymans Robertson LLP, 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 2013

	2014/15	2013/14
Mortality assumptions:		
<i>Longevity at 65 current pensioners:</i>		
Men	22.2 years	22.1 years
Women	24.7 years	24.6 years
<i>Longevity at 65 for future pensioners:</i>		
Men	24.4 years	24.3 years
Women	27 years	26.9 years
Inflation/Pension Increase Rate	1.80%	2.40%
Salary Increase Rate	3.30%	3.90%
Discount Rate	3.20%	4.30%
Take-up of option to convert annual pension into retirement lump sum:		
Service to April 2009	75%	75%
Service post April 2009	75%	75%

20f 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 2015 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	58,448,000	60,771,000
% change in the present value of the total obligation	-1.90%	2%
Projected service cost	1,937,000	2,062,000
Approximate % change in projected service cost	-3.10%	3.20%
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	60,047,000	59,154,000
% change in the present value of the total obligation	0.80%	-0.70%
Projected service cost	1,999,000	1,999,000
Approximate % change in projected service cost	0%	0%
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	60,398,000	58,809,000
% change in the present value of the total obligation	1.30%	-1.30%
Projected service cost	2,062,000	1,937,000
Approximate % change in projected service cost	3.20%	-3.10%
Post Retirement Mortality Assumption		
Adjustment to the mortality age rating assumption *	-1 Year	+1 Year
Present value of the total obligation	61,204,000	57,990,000
% change in the present value of the total obligation	2.70%	-2.70%
Projected service cost	2,066,000	1,931,000
Approximate % change in projected service cost	3.40%	-3.40%

* 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.

20g Major categories of plan assets as percentage of total plan assets

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

	31/03/2015	31/03/2014	31/03/2013
	%	%	%
Equity investments	73.0	74.2	75.6
Government Bonds	5.7	5.9	10.9
Corporate Bonds	6.5	6.1	0.5
Property	12.6	11.2	7.7
Cash	2.0	2.6	4.7
Other	0.2	0.0	0.6
	100.0	100.0	100.0

**Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

21a Analysis of Adjustments to Surplus/Deficit on the Provision of Services

Notes	2014/15 £	2013/14 £
Adjustment to surplus or deficit on the provision of services for noncash movements		
Depreciation	2,118,541	1,496,322
Impairment & downward revaluations (& non-sale)	(517,011)	317,926
(Increase)/Decrease in Stock	(23,126)	(18,245)
(Increase)/Decrease in Debtors	(1,001,154)	772,826
Increase/(decrease) in impairment provision for bad debts	9,819	(2,392)
Increase/(Decrease) in Creditors	19,874	144,881
Increase/(Decrease) in Interest Creditors	0	0
Payments to NILGOSC	620,402	610,705
Carrying amount of non-current assets sold	0	3,966
AIC/WIP written off to Net Cost of Services	0	0
Contributions to Other Reserves/Provisions	179,000	0
Amounts posted to CIES from Donated Assets Account	0	0
	<u>1,406,345</u>	<u>3,325,989</u>
Adjust for Items Included in the net surplus or deficit on the provision of services that are investing and financing activities		
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	0	0
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	0	0
Proceeds from the sale of PP&E, investment property and intangible assets	(5,580)	(84,051)
Capital grants included in "Taxation & non-specific grant income"	(3,662,615)	(1,490,019)
	<u>(3,668,195)</u>	<u>(1,574,070)</u>

**Omagh District
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

21b 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:

	31/03/2015	31/03/2014	31/03/2013
	£	£	£
Cash and Bank balances	336,561	988,076	540,195
Short Term Investments (considered to be Cash Equivalents)	0	0	0
Short Term Deposits (considered to be Cash Equivalents)	1,973,328	3,488,378	4,032,016
Bank Overdraft	0	0	0
	<u>2,309,889</u>	<u>4,476,454</u>	<u>4,572,211</u>

21c Cash Flow Statement-Operating Activities

	2014/15 £	2013/14 £
<i>The cash flows from operating activities include:</i>		
Interest received	<u>(2,458)</u>	<u>(4,152)</u>
Interest paid	<u>533,310</u>	<u>576,005</u>

**Omagh District
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

21d Cash flows from Investing Activities

	2014/15 £	2013/14 £
Purchase of PP&E, investment property and intangible assets	8,421,736	6,704,121
Purchase of Short Term Investments (not considered to be cash equivalents)	0	0
Purchase of Long Term Investments	0	0
Other Payments for Investing Activities	0	0
Proceeds from the sale of PP&E, investment property and intangible assets	(5,580)	(84,051)
Proceeds from Short Term Investments (not considered to be cash equivalents)	0	0
Proceeds from Long Term Investments	0	0
Capital Grants and Contributions Received	(3,422,046)	(1,577,441)
Other Receipts from Investing Activities	0	0
Net Cash flows from Investing Activities	<u>4,994,110</u>	<u>5,042,629</u>

21e Cash flows from Financing Activities

	2014/15 £	2013/14 £
Cash Receipts from Short and Long Term Borrowing	1,500,000	0
Other Receipts from Financing Activities	0	0
Cash payments for the reduction of the outstanding liability relating to a finance lease and on-Balance Sheet PFI contracts	(38,955)	(60,042)
Repayment of Short and Long Term Borrowing	(704,144)	(755,154)
Other payments for Financing Activities	0	0
Net Cash flows from Financing Activities	<u>756,901</u>	<u>(815,196)</u>

Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

22b Analysis of Movement on Reserves - Comparative Year

	USABLE RESERVES					UNUSABLE RESERVES										TOTAL AUTHORITY RESERVES	
	Capital Receipts Reserve	Capital Grants Unapplied Account	Capital Fund	Reserve & Other Balances	Tullyn Reserve	General Fund	TOTAL USABLE RESERVES	Capital Adjustment Account	Financial Instruments Adjustment Account	Reserve	Available for Sale Financial Instruments Reserve	Pensions Reserve	Deferred Capital Receipts Account	Accumulated Allowance Account	Provisional Discount Rate Reserve		Laydown Regulations Reserve
At 1 April 2013	1,015,121	0	1,588,113	877,716	750,000	825,254	1,480,266	31,512,804	0	4,342,011	0	(7,580,000)	605,008	(255,818)	0	0	28,824,807
Movements during the year:																	
Applied Capital Grants								1,480,019									1,480,019
Unapplied Capital Grants received in year		0						0									0
Unapplied Capital Grants transferred to CAA in year		0						0									0
Direct Revenue Financing								3,242,000									3,242,000
Depreciation & Impairment adjustment								(1,814,248)									(1,814,248)
Loans/Lease principal repayments								815,197									815,197
Net Revenue in expenditure funded from capital under statute								0									0
Surplus/(Deficit) on the Provision of Services								4,013,166									4,013,166
Transfer between Statutory and Other Reserves and the General Fund								(832,187)									(832,187)
Net movements in Pension Reserve								8,910,705				(8,910,705)					0
Disposal of Fixed Assets/Capital Sales								(3,366)									(3,366)
Capital Receipts used to finance capital expenditure								1,128,209									1,128,209
Difference between finance and other cash and income movements and movements in other reserves and income calculated in accordance with statutory requirements								0									0
Revaluation & Impairment																	0
Other Movements								585,827									585,827
Transfer between Capital Fund/Revenue & Reserve Fund & CAA to finance capital expenditure								1,794,543									1,794,543
Total movements on reserves during the year (Change in Net Worth)	(1,015,121)	0	(1,006,113)	(48,887)	154,013	(183,007)	8,193	7,248,863	0	76,874	0	(84,000)	(30,807)	(8,397)	0	0	7,248,809
At 31 March 2014	0	0	800,000	829,110	904,813	742,247	1,488,259	38,761,667	0	4,418,885	0	(7,226,000)	617,196	(258,426)	0	0	38,472,666

Omagh District Council
Notes to the Financial Statements
Usable Reserves

23a 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).

23b 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.

23c 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. The Council continues to maintain this reserve for the purpose of funding future capital expenditure and has an approved limit of £3m.

	£
General	606,135
Total	606,135

23d 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. In exercising this, the Council established a Renewal & Repairs Fund during 2012/13 to provide for the future asset improvement costs.

	£
General	574,409
Total	574,409

23e Other Balances & Reserves

Under the Local Government Finance Act (Northern Ireland) 2011 the Council has set aside £749,442 to fund future expenditure in relation to costs associated with review and reform.

Tullyvar Reserves : Refer to Note 14

23f 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.

Omagh District Council
Notes to the Financial Statements
Unusable Reserves

23g 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.

The purpose of this account is to aggregate the amount of capital expenditure that has been financed from revenue and capital receipts excluding sums received in respect of loans negotiated to finance capital investment. This account is debited or credited with the adjustment made in the General Fund for principal debt repaid less than or in excess of the provision for depreciation already debited to revenue and credited against fixed assets, to adjust the provision in line with statutory requirements. The account is also debited with an amount equal to the carrying amount of assets held at historic cost when they are disposed of. If the asset disposed of was held at current value, the balance held on the Revaluation Reserve is written off to the Capital Adjustment Account.

23h Financial Instruments Adjustment Account

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

23i 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.

23j Available-for-Sale Financial Instruments Adjustment Reserve

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

23k Pension Reserve

Refer to note 20.

23l 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.

23m 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.

**Omagh District Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

24 Related Party Transactions

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

Transactions with related parties not disclosed elsewhere in these financial statements are set out below, where a description of the nature, the amount of the transaction and the amount of the outstanding balance is as follows.

Omagh District Council appointed Councillors to the boards and committees of 63 various bodies ranging from local groups such as Omagh Enterprise Company 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 19 of these bodies.

Councillors have direct control over the Council's financial and operating policies. In the 2014/15 financial year the Council commissioned £1,061,678 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.

Tullyvar Landfill disposal site is jointly owned by Omagh District Council and Dungannon and South Tyrone Borough Council. During the year Omagh District Council paid £1,068,564 in disposal charges and landfill tax and contributions to environmental bodies. A further £324,560 was outstanding at 31 March 2015.

In addition, Omagh District Council paid the Western Education and Library Board £286 for room hire, catering and printing. The Western Education and Library Board, in turn, paid Omagh District Council £82,948 for rent, commercial and trade waste charges, hire of the leisure centre facilities and for costs in relation to Omagh Youth Centre.

The Council also paid grants of £402,621 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.

Included within this is Omagh Independent Advice Services who received £122,767 in grant aid from Omagh District Council during 2014/15.

Also included is £71,960 paid to Fintona Regeneration Initiative in grant aid during 2014/15 from which Omagh District Council deducted £3,566 as repayment of a loan.

During 2014/15, Omagh District Council had actual expenditure of £401,780 to other Councils with a further £440,374 (see note 17a) outstanding at 31 March 2015. The Council received £624,624 from other Councils with a further £536,868 (see note 15b) outstanding at 31 March 2015. These amounts relate mainly to services provided and include amounts also disclosed under notes 14a and 14b (Group Services and Rural Development Programme) as well as grant aid paid through Derry City Council for the Peace III Programme.

Omagh District Council had contracts of employment with 6 members of staff of ARC north west Rural Development Joint Committee. The staff costs associated with these employees have been excluded from these accounts and are disclosed in the Joint Committee accounts. In addition Omagh District Council received £13,250 in relation to rental for premises occupied by ARC north west.

The Chief Executive for Omagh, Mr Daniel McSorley, also undertook Chief Executive duties in Strabane District Council on an interim basis. Mr McSorley was remunerated through the payroll of Omagh District Council and Strabane District Council were invoiced to reimburse for their portion of the charge. During 2014/15, Strabane District Council were invoiced a total of £139,039 regarding salary and associated charges of which £85,918 was outstanding as at 31st March 2015.

The Council is a member of the SWaMP2008 Joint Committee which is established for the purposes of managing waste. During the year, the Council paid £26,897 towards the funding of the expenditure of the Joint Committee plus £813 towards the running costs of the educational bus.

The Joint Committee accounts for its funding by the provision of a statement of accounts which is prepared under the Local Government (Northern Ireland) Order 2005 and subject to statutory audit by a local government auditor.

The Council participates in North West Peace III Partnership Joint Committee. Under this arrangement, Peace III and INTERREG IVA funding is available from the Special EU Programmes Body. The Council is part of this Joint Committee with Strabane and Derry councils. Derry City Council acts as the administrative Council with responsibility for all financial and administrative matters. DCC administer the payments and income for the Joint Committee but these transactions are not reflected in their accounts. Instead they are reflected in North West Peace III Partnership Joint Committee's statement of accounts for the year ended 31st March 2015. These statements are prepared under the Local Government (Northern Ireland) Order 2005 and are subject to statutory audit by a local government auditor.

Included in amounts owed to and from other Councils are amounts in relation to the operation of the Statutory Transition Committee and the Shadow Council. Fermanagh District Council was the lead partner for administrative purposes.

The Fermanagh & Omagh Statutory Transition Committee was formed pursuant to the powers conferred by the Local Government (Statutory Transition Committees) Regulations (Northern Ireland) 2013, for the purpose of preparation for the new Fermanagh and Omagh District Council. Fermanagh District Council acted as the Lead Council with responsibility for the majority of financial and administrative matters. During the final period of the STC (period ending 19th June 2014) total expenditure of £261,373 was incurred, of which £240,716 was funded through Council contributions in equal proportion (i.e. £120,358 each). The payments and income transactions made on behalf of the Committee by the Council are not reflected in Omagh District Council's accounts. Rather, they are reflected in the Statutory Transition Committee's accounts for the period ended 19th June 2014. These Accounts are prepared under the Local Government (Accounts and Audit) Regulations 2006 and subject to statutory audit by the local government auditor. As at 31 March 2015, Omagh District Council owed Fermanagh District Council £2,031 in relation to the Statutory Transition Committee.

In addition to the 50% funding of the Committees financial activities, the Council also provided accommodation, administrative staff and support, facilities and financial management necessary for the Committee to carry out its duties; free of charge to the Committee.

The Local Government (Transitional, Supplementary, Incidental Provisions and Modification) Regulations (Northern Ireland) 2014 made transitional provision for the new Councils allowing them to operate in shadow format from 26th May 2014 until 31 March 2015. Fermanagh District Council acted as the Lead Council for financial matters for Fermanagh and Omagh District Council during the period of the Shadow Council. Total expenditure of £1,709,600 was incurred, of which £1,229,068 was funded through Council contributions on a population basis, in line with Circular LG 01/2014. Omagh District Council's contribution towards the Shadow Council costs totalled £533,838 (excluding non-cash accounting adjustments). The payment and income transactions made on behalf of the new Council by the predecessor Council are not reflected in Omagh District Council's accounts. Rather, they are reflected in the Shadow Council's accounts for the period ended 31st March 2015. These Accounts are prepared in compliance with the Departments' Accounts Direction, issued under Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 and subject to statutory audit by the local government auditor. As at 31 March 2015, Fermanagh District Council owed Omagh District Council £14,946 in relation to Shadow Council costs.

In addition to the funding of the Shadow Council's financial activities, the Council also provided accommodation, administrative staff and support, facilities and financial management necessary for the new Council to carry out its duties; free of charge.

**Omagh District Council
Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

Accounts Authorised for the Issue Certificate

In accordance with International Accounting Standard 10, Events after the Balance Sheet Date (IAS 10) this Statement of Accounts which contains a number of minor amendments from the Accounts approved on 23 June 2015 are at today's date hereby authorised for issue.

IAS 10 sets out

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

Signed


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Chief Financial Officer

Date **20 October 2015**