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**Derry City & Strabane**  
District Council

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Comhairle  
**Chathair Dhoire &  
Cheantar an tSratha Báin**

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**Derry Cittie & Stràbane**  
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# **DERRY CITY AND STRABANE DISTRICT COUNCIL**

## **STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025**

# Derry City & Strabane District Council

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## **Narrative Report**

### **Introduction**

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

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

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

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

### **Group Accounts**

The Code requires Local Authorities to consider all their interests and to prepare a full set of group financial statements where they have material interests in subsidiaries or joint ventures. Derry City and Strabane District Council owns 100% of the shares in City of Derry Airport (Operations) Limited (CODA) which commenced trading on 1 April 2010. Accordingly, the Council is required to prepare Group Financial Statements incorporating CODA.

Derry City and Strabane District Council continues to provide support to CODA to ensure it meets its day to day working and fixed capital requirements although annual funding of £3m has now been secured from the Department for the Economy until 31 March 2029 to assist Council in this regard.

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

This Statement, as set out on page 37, shows the movement in the year on the different reserves held by Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing Council's services, more details of which are shown in the Comprehensive Income and Expenditure Summary (CIES). These are different from the statutory amounts required to be charged to the General Fund Balance for local tax purposes. The 'Net increase / decrease before transfers to statutory and other reserves' lines shows the balances before any discretionary transfers to or from earmarked reserves undertaken by Council.

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

This statement, as set out on page 36, 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 38, 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 Council. Reserves are reported in two categories. The first category of reserves are usable reserves i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulation.'

### **The Cash Flow Statement**

The Cash Flow Statement, as set out on page 39, 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.

## Performance Report

### Community Planning

Derry City and Strabane District Council's Strategic Growth Plan was developed in accordance with the statutory duty of Community Planning as set out in the Local Government Act (2014). The duty created a partnership between all the tiers of government, the community and voluntary sector and businesses to improve the wellbeing of its citizens. Community Planning provides a form of strong integrated, partnership governance that takes a strategic view and is evidence based, people focused and place centred. It helps ensure that by working together and pooling resources we can strategically grow and improve social, economic and environmental wellbeing for all.

The plan was developed as a result of an extensive co-design process and informed by a robust evidence base. It was subject to a significant public consultation process. 25 public consultation events were held across the Council area with other engagements with interested stakeholders provided on request. 16,000 copies of a bespoke children's version of the Strategic Growth Plan were circulated to all primary school pupils in the City and District also seeking their views. In accordance with the legislation, the plan underwent a review in 2021-22 and a reviewed plan was duly published in November 2022. The Council and its partners have convened around a common and agreed vision:

## Outcomes & Actions



35 indicators are also outlined within the plan to measure progress in achieving the outcomes. Over 200 actions are also detailed in the plan including the expansion of the University of Ulster at Magee, the development of transport infrastructure and models of prevention and early intervention to reduce levels of health inequalities and deprivation.

Combined, these actions will have a significant impact on the Derry City and Strabane District. The Partnership commissioned an economic forecast of the impacts of the plan, its interdependencies and risks. The economic forecast has projected that the plan shall generate capital expenditure in the region of £3.4bn, creating in turn £450m additional Gross Value Added for our local economy, it will create 15,000 additional jobs, grow the Council area's resident population by 10,000 people and generate £100m in additional tax revenue.



The implementation of the plan is ongoing and is governed by the Strategic Growth Partnership and its delivery partnerships. In accordance with the legislation, the partnership was required to publish a 'statement of progress' on achieving the outcomes, indicators and actions within the plan in November 2019, November 2021 and November 2023 and a further one will be published in November 2025. These statements are aimed to provide transparency around the business of community planning and the performance of the statutory and support partners in its delivery. The reports have shown that progress has been made across many of our outcomes and actions in the first eight years of implementation of the plan. For further information please see [www.growderrystrabane.com](http://www.growderrystrabane.com)

### City Deal and Inclusive Future Fund

One of the key risks to delivery of the Strategic Growth Plan is ensuring the necessary finances are secured, both public and private, to advance the priority projects and initiatives identified within the Plan. Thankfully, on 24 February 2021, following a long period of engagement with Government, a significant milestone for the City and region was achieved with the signing of the Heads of Terms for the Derry / Londonderry and Strabane City Deal and Inclusive Future Fund Investment Plan.

Following completion of the 'Heads of Terms' agreement, Council and Project Partners developed Outline Business Cases for all projects for submission to Central Government. This was a very challenging process in the midst of significant global financial challenges (including increasing construction, materials and energy costs and inflation) contributing to rising project costs. Thankfully, through partnership collaboration, remodelling of projects and the securing of additional funding, sufficient project business cases were approved by Central Government to realise the signing of the £293m 'Financial Deal' for the City and Region on 18 September 2024.

This 'Financial Deal' document is an agreement between the UK Government, Northern Ireland Executive and Derry City and Strabane District Council, together with its delivery partners – Ulster University (UU), Western Health and Social Care Trust (WHSCT), Clinical Translational Research and Innovation Centre (C-TRIC), North West Regional College (NWRC) and Inner City Trust. It sets out a commitment to a £293m City Deal and Inclusive Future Fund Investment Plan to deliver on a suite of integrated and complementary catalyst projects in the areas of innovation, digital and health together with a number of major transformational regeneration, tourism and renewal projects all of which are derived from and contribute to the objectives of the region's Inclusive Strategic Growth Plan 2017-2032. It is underpinned by a cross-cutting commitment by the delivery partners to lever the opportunity of the investment to further job creation, skills and employability and to develop and deliver the projects inclusively and sustainably.

As detailed below, the £293m investment package comprises a funding commitment by the UK Government of £50m City Deal and £55m Inclusive Future Fund; £105m match funding by the Northern Ireland Executive and contributions by Derry City and Strabane District Council and project delivery partners of £83m. The Inclusive Future Fund element of the investment plan is an exclusive fund for the City and region. It recognises the unique circumstances facing the region and will help create new opportunities for the whole of the community. The City Deal and Inclusive Future Fund Investment Plan will boost the economic potential of the region and support a more prosperous, united community and stronger society.

| Project   |   | Lead Dept | Project Promotor | Indicative Funding Allocation (£m) |      |               |      |                                 |       |       |
|---|---|-----------|------------------|------------------------------------|------|---------------|------|---------------------------------|-------|-------|
|   |   |           |                  | NI Executive                       |      | UK Government |      | Partner and Other Contributions | Total |       |
|   |   |           |                  | City Deal                          | IFF  | City Deal     | IFF  |                                 |       |       |
| CADRIC  |   | DfE       | UU               |                                    |      | 35.1          |      | 3.9                             | 39.0  | 39.0  |
| SMART Cities and Digital Enabling Infrastructure    | Digital Innovation Hub                              | DfE       | DCSDC            |                                    |      | 8.4           |      |                                 | 8.4   | 14.9  |
|   | Digital Enabling Infrastructure                     | DfE       | DCSDC            |                                    |      | 3.0           |      |                                 | 3.0   |       |
|   | Challenge Funds                                     | DfE       | DCSDC            |                                    |      | 1.0           |      |                                 | 1.0   |       |
|   | Digital Transformation Flexible Fund                | DfE       | DCSDC            |                                    |      | 0.5           |      |                                 | 0.5   |       |
|   | SMART Energy Pilot                                  | DfE       | DCSDC            |                                    |      | 2.0           |      |                                 | 2.0   |       |
| School of Medicine and Personalised Medicine Centre | School of Medicine                                  | DfE       | UU               |                                    |      |               | 30.6 | 15.6                            | 46.2  | 61.7  |
|   | Altnagelvin Teaching Space                          | DoH       | WHST             |                                    |      |               | 4.6  |                                 | 4.6   |       |
|   | Personalised Medicine Centre                        | DoH       | WHST             |                                    |      |               | 9.8  | 1.1                             | 10.9  |       |
| Strabane Town Centre Regeneration                   | Pedestrian Bridge                                   | DfI       | DfI              | 6.0                                |      |               |      | 4.4                             | 10.4  | 102.0 |
|   | Health Hub  | DoH       | WHST             | 21.5                               |      |               |      | 18.2                            | 39.7  |       |
|   | Public Realm, Site Enabling Works, Land Acquisition | DfC       | DCSDC            | 7.3                                |      |               |      |                                 | 7.3   |       |
|   | NWRC Campus Relocation                              | DfE       | NWRC             | 5.2                                |      |               | 10.0 |                                 | 15.2  |       |
|   | Leisure Centre                                      | DCSDC     | DCSDC            |                                    |      |               |      | 29.4                            | 29.4  |       |
| Derry Central Riverfront Regeneration               |   | DfI       | DfI              | 10.0                               | 35.0 |               |      |                                 | 45.0  | 45.0  |
| Walled City Tourism / Economic Investment           |   | DfC       | DCSDC            |                                    | 14.7 |               |      | 3.1                             | 17.8  | 17.8  |
| DNA Museum, Ebrington                               |   | DfE       | DCSDC            |                                    | 5.3  |               |      | 7.4                             | 12.7  | 12.7  |
| Total   |   |           |                  | 50.0                               | 55.0 | 50.0          | 55.0 | 83.1                            | 293.1 | 293.1 |

Note: DfE: Department for the Economy, DoH: Department of Health, DfC: Department for Communities, DfI: Department for Infrastructure

The catalytic impact of this will result in the single biggest ever combined and integrated funding injection in the City and District that will enable progress and delivery of a number of key infrastructure, tourism and regeneration projects as summarised below:

#### Innovation, Digital and Health Pillar

- £39m- Cognitive Analytics and Digital Robotics Innovation Centre (CADRIC) comprising new Centres of Innovation in Data Analytics and in Advanced Manufacturing and Robotics to be developed by Ulster University in a combined new facility on a site along the Strand Road opposite the Derry City and Strabane District Council headquarters building;
- £61.7m School of Medicine and Personalised Medicine Centre comprising new teaching and Research accommodation at Ulster University's campus at Magee, a new MedEdWest teaching facility at Altnagelvin Hospital and a new build extension to the existing Clinical Translational Research Centre (C-TRIC) facility at the Altnagelvin site;
- £14.9m Smart Cities and Digital Enabling Infrastructure Programme comprising the development of digital enabling infrastructure, a SMART energy pilot, digital transformation challenge funding and a new Innovation hub to be developed in or adjacent to the Strand Road Campus of Ulster University and the North West Regional College.

#### Regeneration, Tourism and Renewal Pillar

- £102m Major Strabane Town Centre Regeneration project on the Canal Basin site comprising a new North West Regional College Campus, a new Strabane Health Hub, a new Pedestrian / Active Travel Bridge (DfI), a new Council leisure facility as well as associated public realm and environmental improvements;
- £45m Derry Central Riverfront Regeneration comprising roads realignment, streetscape enhancement and creation of an active travel corridor along Strand Road, Queens Quay & Foyle Embankment, and the creation of new civic spaces including University Square, Harbour Square/ Victoria Market, Peace Bridge Landing Point & Whitaker Street. This will provide a catalyst for the development/redevelopment of a number of significant vacant and underutilized sites to drive investment and economic development;
- £12.7m DNA Museum - a new iconic museum visitor attraction on the Ebrington site;
- £17.8m Walled City Tourism / Economic Investment creating reimagined spaces & places within the Walled City including pedestrian priority, lighting, animation, public realm and wayfinding investment as well as the repurposing of the Tower Museum and integration with the Craft Village.

Following signing of the 'Financial Deal', Government funding will commence flowing to the transformative suite of projects during 2025/26. The DNA Museum project is expected to start on site in Autumn 2025 – the first Derry City and

Strabane District Council City Deal/ Inclusive Future Fund project to progress to site/construction and one of the first City Deal projects to advance to this stage across Northern Ireland.

This new and unprecedented investment builds on a significant programme of investment already completed or underway including the A6 roads project, the multi-modal transport hub and Council's ambitious capital programme of over £200m community capital investment.

### **Plan for Neighbourhoods**

Another financial enabler to the delivery of the Strategic Growth Plan is the newly announced 'Plan for Neighbourhoods'. This funding programme was officially launched by the Deputy Prime Minister on 4 March 2025. The Plan for Neighbourhoods aims to create thriving places, stronger communities and to allow local communities to take back control of their place. Places were selected due to multiple deprivation data, population size, healthy life expectancy, and GVA per hour worked. Derry City and Coleraine are the only two places that have been selected in Northern Ireland alongside 73 other places across England, Wales and Scotland. Each community will receive funding and support totalling up to £20 million. The funding will be split 75% capital and 25% revenue over a 10-year period. A Neighbourhood Board has been established and held its inaugural meeting in April 2025. It is a delivery partnership aligned to realise the outcomes of the Strategic Growth Partnership. The Board is required to develop an initial four-year investment plan by winter 2025.

### **Expenditure and Funding Analysis**

The objective of the Expenditure and Funding Analysis is to demonstrate to ratepayers how the funding available to the authority (i.e. government grants, rates and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates, services or departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

### **Organisational Structure and Financial Performance**

The Council is structurally organised to ensure that it is poised and ready to deliver on outcomes and actions within the Strategic Growth Plan. Three directorates have been formed to align with the three pillars of social, economic and environmental wellbeing. Our **Health and Community Directorate** is aligned to the social wellbeing pillar, our **Business and Culture Directorate** is aligned to the economic pillar of wellbeing and our **Environment and Regeneration Directorate** has been aligned to the environmental pillar of wellbeing. Subsidiary to the directors, each of the outcome delivery partnerships have been allocated a Head of Service or Senior Responsible Owner which will assist the outcome delivery partnership deliver on its actions. The actions within the Strategic Growth Plan that are attributable to Council are featured within our Service Plans and the Council has aligned its performance improvement objectives to the outcomes. Together this demonstrates organisational readiness for delivery of Strategic Growth in the coming years.

The organisational structure and committee structure is based on these three directorates. They also are supported by **cross-cutting support services** (including finance, capital development, legal, human resources, internal audit, performance improvement and corporate funding). Budgets are managed and controlled on this basis. Additional budget areas are included for City of Derry Airport and also capital projects and loan charges which are key organisational priorities identified in the Strategic Growth Plan.

For the year ended 31 March 2025 the Council increased its General Fund reserve by £144,837 to £6,772,380. Financial performance for the year has been summarised in the table below:

| Area   | Annual Budget<br>£000 | Net Expenditure<br>£000 | Variance<br>£000 |
|--|-----------------------|-------------------------|------------------|
| Cross-Cutting Corporate Services                       | 8,404                 | 8,270                   | 134              |
| Council  | 1,416                 | 1,377                   | 39               |
| Health & Community                                     | 13,983                | 13,827                  | 156              |
| Business & Culture                                     | 8,735                 | 8,235                   | 500              |
| Environment & Regeneration                             | 32,666                | 33,337                  | (671)            |
| Capital and Loans<br>(excluding City of Derry Airport) | 5,021                 | 5,021                   | -                |
| City of Derry Airport<br>(including capital and loans) | 3,060                 | 3,059                   | 1                |
| Other Costs and Income                                 | 803                   | 14                      | 789              |
| Exceptional Items                                      | (5,006)               | (5,006)                 | -                |
| <b>Total Net Expenditure</b>                           | <b>69,082</b>         | <b>68,134</b>           | <b>948</b>       |
| Sources of Funding:                                    |                       |                         |                  |
| Rates Support Grant                                    | (618)                 | (667)                   | 49               |
| Rates (including derating grant)                       | (76,085)              | (76,333)                | 248              |
| Transferring Functions Grant)                          | (441)                 | (441)                   | -                |
| Transfers from and (to) reserves                       | 8,962                 | 9,162                   | (200)            |
| <b>Total Funding</b>                                   | <b>(68,182)</b>       | <b>(68,279)</b>         | <b>97</b>        |
| (Surplus)/Deficit                                      | <b>900</b>            | <b>(145)</b>            | <b>1,045</b>     |
| Opening District Fund                                  |                       | <b>(6,627)</b>          |                  |
| Closing District Fund                                  |                       | <b>(6,772)</b>          |                  |

Continued financial challenges had to be addressed during the 2024/25 rates process including staff pay pressures, global cost of living pressures and inflation, and central government grant cuts (including mainly rates support grant cuts). These challenges culminated in a 6.50% District rates increase (including a 1.50% rates investment as part of a 6/7 year capital investment financing strategy aimed at achieving a further £210m of capital investment including Council's strategic leisure projects and further community project delivery). Positively, a small surplus position of £145k has been achieved for the year due to the following key factors:-

- Significant growth in income levels across key Council services including leisure, culture/ museums, building control, off-street car parking, environmental health as well as investment income received from money market funds, banks, secured deposits and other Councils;
- Savings generally across all Council services as a result of staff vacancies (mainly within corporate services, business and leisure), member allowances, as well as overhead expenditure, utility cost and travel cost savings;
- General prudent financial planning including the retention of a contingency reserve to mitigate against unbudgeted pressures as they arise eg Rates Support Grant cuts;
- Despite challenges associated with non-domestic revaluation appeals and increased rating debt, a positive rates income finalisation of £248k has been achieved due to continued domestic housing growth within the Council area;
- Against these positive outcomes, a number of budgetary pressures have been absorbed. These include environment staffing costs (Cemeteries, Street Cleaning & Waste Services) due to service pressures and high levels of sickness. Other pressures include Christmas lights expenditure, insurance costs, regional animal welfare grant cuts, planning service review costs and unbudgeted costs incurred due to Storm Eowyn;
- Provision has also been set aside for a range of critical health and safety, maintenance and service priorities with leisure and community services (including community centre repairs, LUXE lighting and gym equipment replacement) as well as Cultural Grant Aid additional funding demands;
- Additionally, a revised reserves reduction strategy was agreed during the 2025/26 rates process. Council had planned to utilise £900k from its District Fund during 2024/25 to fund recurrent service expenditure, however, to minimise rates implications for 2025/26, this sum to be retained through the achievement of overall savings during 2024/25.

Council has also reached agreement with HMRC on settlement of Council's leisure VAT claim with a sum of £5.006m included under exceptional items (note 8). All these funds have been designated towards the financing of Council's strategic leisure projects at Templemore and Strabane and have therefore been transferred to Council's Capital Fund with no surplus reported.



This positive outturn position has enabled Council to invest a further £200k into its capital fund towards the financing of its remaining ambitious strategic and community capital project aspirations.

A detailed analysis of income and expenditure for each service area is provided in Note 2c to the accounts in line with the "Telling the Story" format of accounts. This is then reconciled in Note 2a to the expenditure and income included in the Comprehensive Income and Expenditure Statement.

### **Financial Challenges**

Moving forward into 2025/26, the financial environment remains uncertain. A number of financial challenges and uncertainties remain for Council including high inflation rates, staff pay and cost of living pressures, global volatility, construction inflation, risks to Council's rates income, and central government funding cuts. In particular, cuts to the Rates Support Grant present a major challenge for Council, with recurrent funding of £3.19m having been cut from Council budgets since Local Government Reform 2015.

Accordingly, to address these pressures and uncertainties as well as ensure further investment into Council's ambitious capital programme, a 4.92% District rates increase was agreed by Council for the 2025/26 financial year. As detailed in Note 25g, Council also retains a financial contingency reserve of £4.694m (including Department for Communities Hardship Funding received in advance) to provide contingency for continued uncertainties into 2025/26 and ensure Council finances remain on a sustainable footing for the medium term.

Following investment of £3m in 2020/21, Council retains funding of £1.65m within its Capital Fund for resourcing and project development costs required to ensure the City Deal and other strategic, rural and community projects can continue to progress and also maintains a District fund balance of £6.772m of which £1.7m has been earmarked to cover rates funded from reserves over the next 3 years leaving a net balance of £5.072m which represents 6.03% of forecast 2025/26 net expenditure and is in line with relevant guidance.

### **Efficiency and Savings Programme**

Since the inception of the new Council, efficiencies of over £4m have been identified and implemented as well as a further programme of savings and service reductions of £3.697m as part of the 2023/24 budget process in response to the wider financial challenges. A key element of these savings have been enabled through organisational restructuring and severance payments to officers who have left the organisation. Included within 2024/25 net expenditure (other costs and income) is a sum of £329,149 relating to officer severance payments. The Council has not had to borrow or utilise capitalisation directions to fund these costs.

These efficiencies and savings along with some new rates investment have enabled Council to reinvest over £9.75m in growth and new service developments as identified within the Strategic Growth plan. These include loan charges funding for the Council's capital plan and city deals (£7.725m), festivals and events funding including a new major festivals fund (£872k), a third party capital projects fund (£75k), and further investment in rural community services and grant aid (£217k) as well as a range of other service developments and new initiatives.

Identification of further efficiencies remains a priority for the Council to fund further investment in Council's growth ambitions.

### **City of Derry Airport**

Following submission of a business case in April 2021, recurrent funding of £3m per annum has now been secured from Government up to 31 March 2029 to share the operational funding burden of the airport and reduce the impact on ratepayers. This has enabled Council's recurrent funding commitment (including capital financing of £1.3m) to reduce from £3.445m to £1.545m. The £1.9m recurrent savings realised have been recurrently directed by Council towards the financing of its ambitious strategic leisure projects in Templemore and Strabane.

### **Capital Expenditure**

Capital expenditure is a key priority for the Council as identified in the Strategic Growth Plan. Since inception in 2015, financed through reinvestment of efficiency savings and new rates investment, the following significant outcomes have been achieved:-

- The Council has delivered on £93.067m of community and statutory capital investment projects since 2015 of which £51.587m has been secured from external sources.
- With full funding packages in place, Council is working towards the delivery of a further £109.4m of community, strategic and statutory projects (and of which £91.73m has been secured from external sources). These projects include Acorn Farm, Derg Active, new North West cemetery provision at Mullenan Road, DNA Museum, COVID Recovery small settlements investment across the District, as well as the recently approved Riverine and Strabane Public Realm projects.
- A further £3.838m of major repairs and renewals projects have either been completed or are progressing with full funding identified.

- Capital Funding of £265m secured through City Deal / Inclusive Future Fund investment (excluding DNA Museum and Strabane Leisure) and Plan for Neighbourhoods;

This represents over £471m of capital investment having been delivered or in the process of being delivered which is a massive achievement for Council. Building on this substantial investment, the 2025/26 rates process approved further rates investment of 1.5% as part of a 6/7 year financial strategy aimed at achieving over £190m of further capital investment including:-

- Council's 2 strategic leisure developments at Templemore and Strabane;
- New civic/ commercial office development as a key component of the wider aspirations for the future Central Riverfront development and university expansion;
- Continued investment in community projects including play parks/ greenways/ community centres/ waste facilities/ pitch development etc; and
- Funding to ensure the maintenance of Council's existing extensive portfolio of assets and for the resourcing of City Deals and strategic projects moving forward.

Expenditure on capital projects during the year amounted to £12.638m with a further £9,200 of donated assets received. The breakdown of this expenditure is shown in Note 11 (Fixed Assets Schedules) to the Financial Statements. The major items of expenditure, including assets under construction, are as follows:

| <b>Details:</b>                  | <b>£</b>          |
|----------------------------------|-------------------|
| Leisure and Recreation           | 3,393,710         |
| Greenways and Public Realm       | 522,658           |
| Parks and Play Projects          | 4,696,026         |
| Fleet and Equipment              | 494,225           |
| Tourism and Cultural Development | 976,674           |
| City of Derry Airport            | 1,957,973         |
| Community Centres                | 162,418           |
| Cemeteries                       | 365,077           |
| Other                            | 78,720            |
| <b>Total</b>                     | <b>12,647,481</b> |

Grants to the value of £11,109,334 were applied to partly fund the capital expenditure.

The Council can finance capital expenditure using:

- Loan Finance (loan or lease)
- Grant Aid
- Capital Receipts – proceeds from the sale of capital assets
- Repairs and Renewals / Capital Funds
- Transfer of funds from revenue sources

Details of the financing of capital expenditure for the year are shown in Note 12 to the Financial Statements.

The total amount outstanding on Government Loans as at 31 March 2025 was £31,596,386. Included within this is a loan of £641,345 from Department for Communities in respect of a land purchase associated with the City Deal Strabane Town Centre Regeneration project. An amendment to the original agreement was made in March 2025 and the loan must now be repaid on the earlier of (a) the date two months after the date any contract for grant funding for the Strabane Canal Basin Public Realm works is signed by the Department and the Council or (b) 31 March 2026 and is interest-free within this time period.

Capital expenditure unfinanced at 31 March 2025 for which loans will be drawn down was £8,818,397.

## **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 the chief financial officer.

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

These accounts were approved by the Chief Executive on 22 September 2025.

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

Under Regulation 10(2) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, the Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts in the form directed by the Department for Communities.

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

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

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

## Annual Governance Statement

### Scope of Responsibility

Derry City and Strabane 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.

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

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

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

### The Purpose of the Governance Framework

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

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

The governance framework has been in place at the local authority for the year ended 31 March 2025 and up to the date of approval of the financial statements.

### The Governance Framework

The following describes the key elements of the systems and processes that comprise the local authority's governance arrangements including arrangements for:

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

The Council communicates its vision of its purpose and intended outcomes through a number of channels, namely its community plan "Inclusive, Strategic Growth Plan," local growth plans (aligned to each District Electoral Area and one for Strabane Town), its corporate plan and its ongoing approach to communications and engagement.

Derry City and Strabane District's Strategic Growth Partnership (its community planning partnership) launched an ambitious plan to improve social, economic and environmental wellbeing in the City and District in November 2017. This plan also went through a review process which involved a significant consultation and engagement process in 2021/22. The reviewed and consulted plan was duly republished on November 2022 in accordance with the legislative requirements in the Local Government (NI) Act (2014).

A dedicated webpage has been developed for the Community Planning process which articulates the vision, intended long term outcomes for social, economic and environmental wellbeing. The Partnership also adopted a communications and engagement strategy in October 2020 [www.growderrystrabane.com](http://www.growderrystrabane.com)

A range of digital tools and social media campaigns have also been developed to communicate the aims of the Strategic Growth Plan and its performance.

Part 10 (S.71) of the Local Government (Northern Ireland) Act 2014 states that Community Planning Partnerships (Strategic Growth Partnership) have a statutory commitment to publish every 2 years, by way of a public statement, progress achieved towards the actions and outcomes identified within Community Plans (Strategic Growth Plan).

The third Statement of Progress was approved by the Partnership on 6 March 2024, and is available here for viewing and download at : <https://growderrystrabane.com/statement-of-progress-2023/>

The Council's Corporate Plan was informed by six engagement sessions at the start of the Council term which involved new council Elected Members and senior staff, approximately 260 staff and local and regional Trade Union representatives. These engagement events were designed to co-develop the strategic direction and principles which formed the organisational design. The outputs from these were used to formulate our corporate plan and the structure of the organisation. Twelve local engagement sessions were also held early in the Council's formation to engage directly with citizens and to ascertain their views and aspirations for the new Council.

Each year the Council produces a Corporate Plan and Performance Improvement Plan by 30 June in line with the Performance Improvement Duty. In line with legislation, the draft version of the annual Improvement Objectives is subject to consultation. During the consultation phase, copies of the draft Performance Improvement objectives are made available in hardcopy, on the website, via e-mail, and in other formats on request.

The final document for 2024/25 is also available to the public (and interested parties) in a range of formats, on request, and via the Council's website

<https://www.derrystrabane.com/about-council/corporate-services/corporate-directorate-improvement-plans/corporate-and-improvement-plans>

Work is currently being progressed on the 2025/26 Plan.

The Council's Corporate Communications Section provides a daily media service for updating the public on corporate initiatives and achievements through PR campaigns and initiatives that are shared through news stories and features, press releases. These are shared with the media and on the Council website and through a series of social media channels. This information is monitored and evaluated to measure reach, engagement and tone.

The Council has a specific communication plan for the rates information and a dedicated website and social media messages to support access to information by citizens and service users. A Google URL link was devised to monitor visitors to the rates page via social media, within 24 hours.

- **Reviewing local authority's vision and its implications for Council's governance arrangements**

Arising out of the Corporate Planning / engagement process at the start of the 2015 term, Council identified the following mission:

"Deliver improved social, economic and environmental outcomes for everyone."

Our corporate objectives are to:

1. Grow our business and facilitate cultural development.
2. Protect our environment and deliver physical regeneration.
3. Promote healthy communities.
4. Provide effective and facilitative cross functional support services.

These objectives continue to be reflected in the Council Corporate Plan.

Consultations on the 2024/25 Improvement Objectives took place between 22 March and 24 May 2024 and the results were presented to the May meeting of the Derry City and Strabane District Council (Min ref C269/24).

Consultations took place between the 10 March and 19 May 2025 for the 2025/26 Improvement Objectives.

Governance and decision-making arrangements were reviewed prior to the Annual Meeting in March 2015 and June 2019 and the Council has adopted a committee structure which reflects the above objectives / priorities. Accordingly, there are 6 committees: Environment & Regeneration, Health & Community, Business and Culture, Planning, Governance & Strategic Planning and Assurance, Audit & Risk. There were no changes to this structure progressed in the 2024/25 year.

The objectives / priorities identified above are reflected in the organisational structure which is based on 3 outcome focused directorates – Environment & Regeneration, Health & Community and Business and Culture plus a number of strategic support units.

The corporate objectives are set out in the Corporate and Improvement Plan and are cascaded into Directorate Delivery Plans for 2024/25.

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

The Council has in place its Customer Service Charter which sets the standards of customer service the public can expect when contacting the Council. There is also a procedure in relation to making comments, compliments or complaints. In the 2024/25-year, Council implemented the Northern Ireland Public Sector Ombudsman Model Scheme for Handling Complaints (introduced January 2024).

Service delivery standards continue to be reviewed in the context of the annual service / delivery planning process and work is ongoing in relation to monitoring arrangements.

A Citizen Engagement campaign was approved by Committee in December 2014 the objectives of which were to:

- Communicate key pieces of information on the new organisation to citizens in Strabane and Derry.
- Generate awareness and interest amongst stakeholders, participants and the media in Derry City & Strabane District Council.
- Promote key messages on community planning, citizen services, new council structure and brand; and
- Roll out Citizen Road show to visit key events and locations.

Corporate campaigns are monitored and evaluated to determine the level of effectiveness and depth of engagement. From this, the Council can identify potential gaps and devise methods to mitigate these.

At a service level, individual services undertake tailored surveys to establish customer views. Examples include the Leisure Services survey.

- **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**

A Code of Governance was developed for the Council for the year 2024/25, based on the seven principles set out in the CIPFA/SOLACE 'Delivering Good Governance in Local Government: A Framework' 2016 Edition.

Following the Local Government Election in May 2023, all Elected Members within Derry City and Strabane District Council have signed up to the Code of Conduct. Any subsequent co-opted Members have similarly signed the Code of Conduct.

Terms of Reference have also been agreed for each of the Council's Committees and Members have been briefed on their role on committees and provided with a copy of the Terms of Reference for each committee.

The Council also has developed role descriptions for the roles of; Councillor, Mayor, and Chair of Committee and these have been approved by Members.

The Members' induction process also included the allocation of a dedicated Council email address for secure communications and registration with the Council's committee software system to facilitate council business and access to resources.

Job descriptions and job specifications are in place for all Council positions including all Senior Manager roles, which clearly define and document the roles and responsibilities of senior officers. Organisation Charts are in place in each Department, showing clear reporting lines. Regular Senior Leadership team meetings take place on a fortnightly basis and each department has their own arrangements in place for effective communication including departmental meeting and staff briefings.

A Code of Conduct for Local Government Employees has been in place since 1 April 2015 and training is provided through the e-learning platform.

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

The Northern Ireland Local Government Code of Conduct for Councillors came into force on 28 May 2014. All Elected Members within Derry City and Strabane District Council have signed up to the Code of Conduct. Training was provided to Members on the Code of Conduct by the NI Ombudsman in November 2015 and at inductions following subsequent council elections; with an additional session most recently delivered by the Local Government Commissioner for Standards in February 2024 which included the Local Government Employee and Councillor Working Relationship Protocol.

Details of these documents would also have been provided to any new Members subsequently co-opted and a copy of the training slides provided for future reference to Members in the Members Library on Mod Gov.

The Code of Conduct for Local Government is written into Employee contracts.

A Code of Conduct has been in place for all employees since 1 April 2015.

Training on this is rolled out to staff on the Council's e-learning platform to ensure that all staff are aware of their responsibilities in relation to the Code of Conduct.

- **Reviewing the effectiveness of the authority's decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality**

Standing Orders, Financial Procedures and a Scheme of Delegation have been prepared for Derry City and Strabane District Council. These documents clearly define how decisions are taken, and the processes and controls required to manage risks.

Council's Lead Legal Services Officer regularly reviews the effectiveness of the Council's decision-making framework, including delegation arrangements and decision-making.

The Standing Orders were thoroughly reviewed during 2020/21. A number of workshops and engagement sessions were held with Elected Members. The revised Standing Orders were fully considered by the Governance & Strategic Planning Committee and approved at the Full Council meeting in May 2021. Training in relation to these documents is held annually.

The Council appointed an Information and Customer Services Officer in 2017/2018. The Officer is also the Data Protection Officer and one of the key functions of this role is to ensure that the Council is meeting the GDPR regulations.

- **Reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability**

Derry City & Strabane District Council's Risk Management Strategy was reviewed and updated during 2022/23 and approved by the Assurance, Audit & Risk Committee in January 2023.

The Risk Management Strategy forms part of Derry City & Strabane District Council's internal control and corporate governance framework. It has been developed to provide clarity and direction on current and future risk management activity across the Council to ensure a consistent approach is taken to risks, which may have an adverse impact on the Council's ability to achieve its strategic aims and objectives.

The Strategy defines the roles and responsibilities for risk identification and management and sets out how this is delivered.

A comprehensive database (GRACE) is used for managing identified risks across all services and is maintained by the Audit and Risk Officer. Regular meetings are held with Service Managers, Heads of Service, Lead Officers and Directors to assess the progress made in managing risks and to ascertain if new risks have been identified. Regular risk management reports are presented to the Assurance, Audit & Risk Committee.

Risk Registers are in place for all Service Areas within the Council and are reviewed regularly by management and updated on GRACE by the Audit and Risk Officer.

A rolling programme is in place to ensure that each service area is reviewed regularly. Furthermore, high risk areas are reviewed more frequently and the high scoring risks and a sample of service risk registers are reported to the Assurance, Audit and Risk Committee bi-monthly. Action plans are in place for all critical risks.

The Corporate Risk Register is reviewed and monitored by the Senior Leadership Team regularly and reported to the Assurance, Audit & Risk Committee bi-annually.

Every risk within the Council's Risk Management System has been allocated to a Service Manager, Head of Service, Lead Officer or Director.

Training is provided to senior managers by the Audit & Risk Officer, as requested, on a one-to-one basis, as risk registers are being reviewed and updated.

Derry City & Strabane District Council agreed a new risk appetite process during 2016. The risk appetite was reviewed again during 2022/23 and approved by the Assurance, Audit & Risk Committee in January 2023. Council has identified four key corporate objectives, which set Council's overall strategic direction. It is recognised that Council's risk appetite will vary depending on the circumstances at a particular time and also depending on the corporate objective to which the risk relates. Action Plans are in place to mitigate against all critical scoring risks.

Risk Management is embedded across all activities of Derry City & Strabane District Council; however, it is important to note that risk management is a continuous evolving process, which is monitored closely by the Audit & Risk Officer, the Internal Audit Manager, the Assurance Manager and the Lead Assurance Officer.

- **Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained**

The Council has a 'Counter Fraud, Raising Concerns and Anti-Bribery Policy', which includes a Fraud Response Plan and is monitored by the Assurance, Audit & Risk Committee. In line with best practice, a review of the policy was conducted in 2024/25.

The risk of fraud is identified and managed on all risk registers. Fraud risk assessments have been developed as part of the Risk Management Framework.

Internal Audit commenced a programme of Fraud Awareness Training in 2016. Over two hundred staff have attended the training. Internal Audit has also delivered three fraud awareness training courses for the staff at City of Derry Airport (CODA Ltd). The Fraud Awareness training course was reviewed and updated in 2024/25 to include areas such as cyber-crime and the Council response to these risks. A further programme of Fraud Awareness Training is being rolled out across the organisation. The first session of this has already taken place in March 2025. This programme will be rolled out to new members of staff, those who have not yet attended the training and those that have not attended the training for several years.

As part of internal audit assignments, fraud risks, fraud awareness, design of systems to guard against fraud, sound business practices and ethical behaviour is discussed with management and staff generally and with direct relevance to the areas under review.

DCSDC completes regular fraud risk assessments as part of the risk management framework. Fraud risk review meetings are held regularly and attended by the Lead Assurance Officer, the Assurance Manager and the Internal Audit Manager. The Fraud Risk Reviews reports are printed from the Grace Risk Management System and signed as evidence that the review took place. These documents are retained on file by Internal Audit.

Internal Audit staff are available to consult with when significant new Council systems are being developed so that fraud risks can be identified and managed.

- **Ensuring effective management of change and transformation**

Derry City and Strabane District Council managed a seamless transfer of services and functions to the new organisation in April 2015. The organisational structure of the new organisation was clearly defined in 2015 and has been fully embedded. Corporate values, vision and objectives are clearly defined. A staff engagement strategy has been approved by Council and routine staff engagement sessions have been held. Staff newsletters are issued on a six-monthly basis and regular Joint Consultation and Negotiation Committee (JCNC) meetings are held. Approximately



£5m of efficiency savings have been realised as a result of the creation of the new Council and the Council continues to invest these savings into transformative projects highlighted within the community plan.

- **Ensuring the authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) and, where they do not, explain why and how they deliver the same impact**

The Chief Executive is the Chief Financial Officer of Derry City & Strabane District Council. In fulfilling this role, the Chief Executive was supported by the Lead Finance Officer during 2024/25, a professionally qualified accountant. The Chief Financial Officer leads the promotion and delivery of good financial management by the whole organisation to ensure that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively. The Lead Finance Officer reports directly to the Chief Executive and is a member of the Senior Leadership Team. The Council's governance arrangements allow the Lead Finance Officer direct access to the Chief Executive, to other Senior Leadership Team members, the Assurance, Audit & Risk Committee and External Audit. The Lead Finance Officer has the skills, knowledge, experience and resources to perform effectively in both the financial and non-financial areas of their role and the scope of the Lead Finance Officer responsibilities ensure that financial matters are not compromised.

The Council's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government: A Framework.

- **Ensuring the authority's assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and, where they do not, explain why and how they deliver the same impact**

The Internal Audit Manager has a critical role within Council; helping the organisation achieve its objectives by giving assurance on its internal control arrangements and playing a key role in promoting good corporate governance.

The Council is satisfied that the assurance arrangements in place conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010).

The Internal Audit Manager helps the organisation to deliver its strategic objectives by;

- Championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments; and
- Giving an objective and evidence based opinion on all aspects of governance, risk management and internal control.

The Internal Audit Manager:

- Has regular and open engagement across the organisation, particularly with the Senior Leadership Team and the Assurance, Audit and Risk Committee.
  - Leads and directs an internal audit team that is resourced to be fit for purpose; and
  - Is professionally qualified and suitably experienced.
- **Ensuring effective arrangements are in place for the discharge of the monitoring officer function**

The effective arrangements for the discharge of the monitoring officer functions are ultimately overseen by the Chief Executive. However, the Council's Lead Legal Services Officer will provide continuous advice and guidance in relation to all of these areas.

- **Ensuring effective arrangements are in place for the discharge of the head of paid service function**

The effective arrangements for the discharge of the head of paid service functions are ultimately overseen by the Chief Executive. The Chief Executive will be supported in this role by the Senior Leadership Team.

- **Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities**

Derry City & Strabane District Council has an Assurance, Audit & Risk Committee (AARC). The Committee is a Standing Committee of Council and meets 6 times a year. 14 Elected Members and 1 (externally recruited) independent advisor sit on the Committee. Meetings are attended by the Chief Executive, the Directors, the Lead Assurance Officer, the Assurance Manager and the Internal Audit Manager (and where relevant the Lead Finance Officer). A representative from external audit is invited to attend all meetings. The meetings are also attended by representatives from

management, in the areas where a final audit report is being presented, to answer questions from Audit Committee Members.

The Assurance, Audit and Risk Committee oversee the work of the Internal Audit Section including the approval of the annual programme of work. The Internal Audit Service operates to the Public Sector Internal Audit Standards 2013 (last updated August 2017). The Council's assurance arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010).

The Assurance, Audit and Risk Committee Terms of Reference have been documented and approved by the Committee. The terms of reference set out a clear statement of purpose that it will provide an independent assurance on the adequacy of the Council's risk management framework and associated control environment. It will provide an independent scrutiny of the Council's financial and non-financial performance to the extent that it exposes it to risk and weakens the control environment.

An assessment of the Committee is carried out annually and the Assurance team are satisfied that Committee is operating broadly in compliance with the CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022. The assessment of the Committee for 2024/25 year was presented to the Assurance, Audit & Risk Committee in May 2025. In March 2025, the NIAO issued the guidance publication "Effective Audit and Risk Committees: A good practice guide". A gap analysis will be carried out by Officers which will inform and update the 2025/26 self-assessment exercise.

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

The Lead Assurance Officer leads on risk management activities within Council, in line with the Council's Risk Management Strategy. Activities have focused on the development, management, monitoring and reporting of risk registers. Corporate and operational Service risk registers are in place across the organisation.

Managers are aware of their responsibility for ensuring:

- Compliance with relevant laws and regulations, internal policies and procedures.
- Compliance with statutory responsibilities with regard to Health & Safety.
- That expenditure is lawful within their area of responsibility.
- That staff conduct council business in accordance with the law and proper standards.
- That public money, for which they are responsible, is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Council has an in-house legal team, which contributes to providing assurance that relevant laws and regulations are complied with. The Chief Financial Officer is the designated Officer responsible for ensuring that expenditure is lawful and ensuring the proper administration of the Council's financial affairs.

All committee reports are obliged to note any legal or financial issues arising. Council has a scheme of delegation in respect of officer decisions and also has a reporting policy in respect of delegated decisions and maintains a register of such decisions in line with the policy.

- **Raising concerns and for receiving and investigating complaints from the public**

#### Raising Concerns

The Council's 'Counter Fraud, Raising Concerns and Anti-Bribery' policy was approved by Members at the AARC meeting in December 2020. The Policy takes into consideration the best practice as detailed in the 'NIAO Raising Concerns' publication. The policy not only explains the rationale for changing the name of the policy from 'Whistleblowing' to 'Raising Concerns' but also provides more detail on how a concern can be raised. The policy has also been updated to explain the differences between a concern, a grievance and a complaint and the various Council policies are mapped. Another update is that the policy is now available to third parties such as members of the public. Previously, the policy would have been primarily for employees. The policy also now provides links to the corporate 'Comments, Compliments and Complaints Policy'. In line with best practice, a further review of the policy was conducted in 2024/25.

#### Complaints

The Council implemented a new complaints process during 2023/24 based on the guidance issued by NIPSO (Northern Ireland Public Services Ombudsman) – The Local Government Model Complaint Handling procedure (MCHP) for

dealing with concerns raised by the public. The level of complaints is reported on within the Annual Performance Report which can be found at [www.derrystarabane.com/about-council/corporate-services/council-performance](http://www.derrystarabane.com/about-council/corporate-services/council-performance).

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

Following each Local Government Election (and any subsequent co-options), all Members are offered the opportunity to complete a Personal Development Plan (PDP), which identifies areas of development for each Member. All development needs identified which relate to any of the corporate objectives of Council and which support Members to effectively fulfil their role within Council, are included in an overall Member Learning and Development Plan which lists all training to be scheduled for Members throughout the electoral term.

The Learning and Development Programme was agreed at the Governance and Strategic Planning Committee in November 2023. Additional areas of development identified throughout the electoral term are considered by the Elected Member Development Group and if deemed to be of value are added to the Learning and Development Programme.

The Council is embedding a personal development plan process which is linked to job descriptions and the Local Government competency framework.

In addition to this, there is also a considered approach to training as training needs are identified by senior officers in relation to their strategic role.

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

To facilitate clear channels of communication with all sections of the community and other stakeholders the Council utilised the following mechanisms in 2024/25:

- Website, media placements and social media engagement through various platforms and channels for various service-users i.e. corporate, festival and events, sports and leisure etc.
- Equality group (Equality assurance & Oversight Group) established to assist in development and ongoing review of the Community Plan, thus ensuring equality was at the forefront of participation and engagement.
- Mayor and Elected members acting as spokespersons for the local government organisation.
- Council and Committee meetings – open meetings and communicating key messaging derived from the Council meetings as well as live-streaming of full Council meetings and public broadcasting of remote committee meetings via YouTube in 2024/25.
- Database development for community services and business and cultural organisations.
- Specialist interest database for events and initiatives.
- Service / issue specific engagement including for example North West Ministry of Youth for Children and Young People and Civic Alcohol Forum.
- Media database for local, regional and ROI media.
- Regular e-zine programme of information for database groupings.
- Access to committee meeting agenda, reports and minutes via website and 'app' service.

- **Enhancing the accountability for service delivery and effectiveness of other public service providers**

According to the Community Planning duty the Community Planning Partnership published a statement of progress on its community plan in November 2023. The Strategic Community Planning Partnership meets in public each quarter. During these meetings key presentations are given on progress on initiatives within the community plan.

The Council has also led the establishment of delivery partnerships and a delivery plan with named "action leads" tasked with the co-ordination and reporting on the actions to assist in the delivery of the community plan. The statement of progress can be viewed on the partnership's dedicated website [www.growderrystarabane.com](http://www.growderrystarabane.com)

Moreover, a range of public service providers frequently attend Council Committees to present plans and strategies. Council led partnerships - such as the Policing and Community Safety Partnership (PCSP) - facilitate performance monitoring and reporting of police performance.

The Council, via Motions, also regularly engages with public sector providers to highlight issues of concern, request presentations/reports, champion causes/initiatives, etc.

- **Incorporating good governance arrangements in respect of partnerships and other joint working as identified by the Audit Commission's report on the governance of partnerships and reflecting these in the authority's overall governance arrangements**

The Council continuously strives to have the highest standards of governance arrangements in place and endeavours to ensure that its partners also have high standards of governance arrangements in place. The Council reviews its governance arrangements regularly to take account of best practice guidance.

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

Decisions taken under the power of general competence must be taken in line with the council's standing orders and council's constitution. There is no such provision for such decisions to be taken under the Council's Scheme of Delegation.

### **Review of Effectiveness**

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness within Derry City & Strabane District Council has been informed by a governance review completed by the Lead Assurance Officer, the Assurance Manager, the work of the managers within the Council who have responsibility for the development and maintenance of the governance environment, the Internal Audit Manager's Annual Report and also by comments made by the external auditors.

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

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

- **The Audit Committee / Overview and Scrutiny Committees / Risk Management Committee**

Derry City & Strabane District Council has an Assurance, Audit & Risk Committee. The Committee is a standing Committee of Council and during 2024/25 met bi-monthly. 14 Elected Members and 1 (externally recruited) independent advisor sit on the Committee. Meetings are attended by the Chief Executive, the Directors, the Lead Assurance Officer, the Assurance Manager, the Internal Audit Manager (the Lead Finance Officer where appropriate) and invited line managers depending on the audit reports being presented. A representative from external audit is invited to attend all meetings.

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

- **The authority**

A Committee Structure was in place within Derry City & Strabane District Council during 2024/25 consisting of the following:

- Governance & Strategic Planning Committee;
- Planning Committee;
- Business & Culture Committee;
- Health & Community Committee;
- Environment & Regeneration Committee; and
- Assurance, Audit & Risk Committee.

- **The executive**

Directors, Heads of Service and Lead Officers completed an Annual Assurance Statement for 2024/25 for their Directorate/Service Area. In signing the Assurance Statements, opinions were informed by the following:

- Assurance from the relevant Department's management team;
- Corporate and Departmental Service Plans including Key Performance Indicators;
- Service Risk Registers;
- Operational policies and procedures;
- Regular management and monitoring information;
- Internal and external audit reports;
- Administrative procedures (including segregation of duties);
- Management supervision;
- A system of delegation and accountability.

- **Internal audit**

Derry City and Strabane District Council has a dedicated in-house Internal Audit team. The work of the Internal Audit Section is directed by and approved by the Assurance, Audit & Risk Committee.

On the basis of the work carried out during 2024/25, Internal Audit provided a satisfactory level of assurance that the Council's control environment is adequate and effective i.e. that satisfactory assurance can be obtained from the governance systems and procedures in place. This is a positive assessment of the Council's control environment and reflects favourably on the organisation's governance arrangements.

An Internal Audit Plan for 2024/25 was approved by the Assurance, Audit and Risk Committee in March 2024. Although the Audit Plan was not completed in full for 2024/25, the Internal Audit Manager is satisfied that a significant amount of assurance work was carried out and the associated reports were provided to the Committee on high-risk areas facing the organisation. The internal audit annual report for 2024/25 was presented to the June 2025 meeting of the Assurance, Audit and Risk Committee (available via <https://meetings.derrycityandstrabanedistrict.com>).

The Internal Audit Plan for 2024/25 was broken down into a number of areas covering:

- Audits from 2023/2024 plan rolled forward to 2024/2025 plan;
- Follow up Audit Work;
- Audit of other areas;
- Other work;
- Provision of training; and
- Additional Audit Assignments.

- **Other explicit review / assurance mechanisms**

Risk Management

Risk Management is embedded across all the activities of Council and is a continuously evolving process, which is monitored closely by the Lead Assurance Officer. Risk Registers are in place for all Service Areas within the Council and a comprehensive database is maintained for managing risks and action plans. Risk management reports are presented regularly to the Senior Leadership Team and to the Assurance, Audit & Risk Committee.

External Funding

External funding received throughout the year is subject to independent audits from the relevant funders i.e. Europe, Government Departments, SEUPB etc.

Local Government Audit

Work carried out by the Local Government Auditor during 2024/25 is also used by the Council as an additional assurance mechanism.

The Council takes on board all best practice guidance issued by the Northern Ireland Audit Office (NIAO) and has measures in place to ensure that all recommendations made by the NIAO are implemented in a timely manner.

The recent NIAO Good Practice Guide published in March 2025 – 'Effective Audit and Risk Assurance Committees' was presented to the Assurance, Audit and Risk Committee in June 2025.

### Health & Safety

The management of Health & Safety within the organisation is a key priority for all staff. Derry City and Strabane District Council received the ISO 45001 accreditation in November 2019 and achieved reaccreditation in July 2023. As a result of having this accreditation the Council is subject to two external audits per annum. The Council has continued to retain this accreditation during 2024/25 with no major non-conformances identified.

### City of Derry Airport (Operations) Ltd (CODA)

CODA became an incorporated entity on 1 April 2010 and is a wholly owned subsidiary of Derry City & Strabane District Council. At that time some assets and employees belonging to the Council were transferred over to the new Company. Derry City & Strabane District Council, as part of the Annual Rates Estimates, approved an annual revenue subvention to CODA for 2024/25 of £3.48m.

CODA is governed by a Board of Directors, which meets monthly. The Board of Directors consists of 12 Directors / Members including 6 non-executive Directors (including the Chairman), 3 Elected Members from Derry City & Strabane District Council, Derry City & Strabane District Council's Chief Executive, Lead Finance Officer and Lead Assurance Officer. The Board meetings are also attended by the Managing Director and the Company Secretary. In March 2023, 3 new non-executive Directors were appointed to the Board. The new non-executive Directors are currently working in conjunction with existing non-executive Directors up until March 2026 to ensure that there is a seamless handover of responsibilities.

In line with the significant Central Government support provided to Regional Airports throughout Europe, a medium-term Business Plan was approved by Council in March 2021 setting out support required from Governments to ensure the medium-term sustainability of CODA for a further 6-year period until critical transport infrastructure (A5 and A6) is progressed and roads connectivity to the North West is significantly enhanced. The Business Case was submitted to Governments in April 2021 and an initial sum of £3m was secured for 2022/23. An updated addendum to the business case was submitted to Government in February 2024 following which a further £3m funding was secured for 2024/25.

Council was advised in October 2024 that responsibility for supporting the airport for the period 2025/26 – 2028/29 would be taken forward by the Department for the Economy (DFE). Following a very complex process requiring updates to the business case, robust scrutiny of the business case including casework approval by DFE, as well as referral of the proposed subsidy to the Competition and Markets Authority; the Economy Minister confirmed on the 18 April 2025 that DFE has assumed responsibility for providing annual operating funding of up to £3m for CODA from 1 April 2025. This is an extremely positive outcome which provides certainty for the airport up to 31 March 2029 and which recognizes the vital role the airport plays in the economic development of the entire North-West and enables the airport to plan for future growth in the years ahead.

Following completion of a tender process the PSO route to London Heathrow was approved by Department for Transport and commenced operations on 6 May 2023. In close liaison with the Northern Ireland Executive and the Department for Transport (DFT), further funding of £4.627m has been secured for a further 2-year period from 1 April 2025 to 31 March 2027 to ensure the continued operation of the critical London PSO route. This is an incredibly positive result and the first time that funding has been secured for beyond a one-year period.

## Significant Governance Issues

In response to the issues raised in the Annual Governance Statement for 2023/24, we can confirm that these issues were highlighted in appropriate risk registers, risk owners allocated, and actions were put in place to address them. Actions taken in managing these issues were reported as appropriate to the Assurance, Audit & Risk Committee. However, it should be noted that given the nature of some of the risks identified, some actions are still ongoing.

As part of the process of preparing this year's Annual Governance Statement the Chief Executive, Directors, Heads of Service and Lead Officers have been asked to consider significant governance issues that require action and disclosure. The most significant issues for the Council are detailed below:

| Governance Issue  | Current controls and proposed actions   |
|---|---|
| <p>Inability to deliver on Council's ambitious capital programme of strategic (including City Deal Inclusive Future Fund) and community projects due to the significant associated capital financing, staff resourcing and ongoing revenue costs.</p> | <p>Council has delivered or is in the process of delivering over £450m of capital investment with full funding in place (including City Deal / Inclusive Future Fund). £393m of this funding has been secured externally.</p> <p>Council has approved further rates investment of 1.5% within the 2024/25 and 2025/26 rates process as part of a 6/7-year financial strategy. This investment is aimed at achieving over £235m of further capital investment, including Council's 2 strategic leisure developments at Templemore and Strabane, new civic / commercial office development as a key component of the wider aspirations for the future Central Riverfront development and university expansion and continued investment in community projects.</p> <p>1.5% rates investment secured as part of the 2024/25 and 2025/26 rates process enables Council to plan ahead with the intention of delivering its strategic leisure projects at Templemore and Strabane, including progression to detailed design and consultation, as well as a further £10m fund towards community capital projects.</p> <p>Funding discussions with Government around the CODA Business Case successfully concluded (May 2025).</p> <p>Council approval secured in July 2025 for prioritisation of £10m Community Fund further to meetings of the Capital and Corporate Projects Planning Group.</p> <p>Continued engagement with Members as part of the 2026/27 rates process to secure required further rates investment (February 2026).</p> <p>Financial Deal document for City Deal Inclusive Future Fund (IFF) signed September 2024. Governance arrangements in place and subject to ongoing review. Remaining outline business cases being completed.</p> <p>Additional resources put in place (January 2025) and ongoing resourcing considerations to ensure delivery of projects including City Deal IFF.</p> <p>Special legal regime case against HMRC successfully concluded (October 2024). Monies received and due totalling £5,005,598 have been included as exceptional income within these accounts.</p> |

|   |  |
|---|--|
| <p>Inability to secure the long-term financial stability of Council in relation to the delivery of Council's services due to pay pressures, central government funding cuts, inflation, cost of living pressures, capital programme affordability, risks to Council's rates income and service demands.</p> | <p>Council has an available district fund balance at 31 March 2025 of £6.772m and has a reserves plan in place to ensure that the district fund remains within 5% and 7.5% of forecast net expenditure.</p> <p>Further to ongoing developments around cost of living, inflation pay pressures, central government funding cuts (including rates support grant) and other financial risks e.g. rates appeals and bad debts, Council retains a financial contingency reserve of £4.694m to provide for continued uncertainties into 2025/26.</p> <p>Continued engagement with Government regarding funding cuts and participation in relevant consultations and reviews in respect of rates and funding.</p> <p>Funding discussions with Government around the CODA Business Case successfully concluded (May 2025).</p> <p>Planned resumption of Finance Working Group meetings in advance of 2026/27 rates process (December 2025).</p> <p>Council has approved a Capital Strategy and associated 6/7 year financing strategy as part of the 2025/26 rates process including 1.5% initial rates investment towards capital projects.</p>   |
| <p>Increased risk of Cyber Crime.</p>   | <p>The Digital Services Team continue to monitor all the tools they have such as the Firewall, Anti-Virus logs and email filter logs.</p> <p>The Digital Services Manager is informed of any issues via a local NI Cyber Group and the National Cyber Security Centre (NCSC) and alerts staff to those issues and makes changes to the security system to block the known issues.</p> <p>Systems are continually updated to protect against known and unknown threats.</p> <p>Due to the continuing cyber risk, Digital Services will monitor and adjust security systems accordingly.</p> <p>New network switches installed in Council Offices on Strand Road; this allows staff to monitor all traffic, not just traffic in and out of the network, Next phase is to roll out the new switches to outcentres.</p> <p>Multifactor authentication is used to access council's Office365 resources.</p> <p>Migration of file servers to one drive and SharePoint.</p> <p>Office365 backup solution implemented.</p> <p>Multifactor authentication Used to access council system from home via VPN.</p> <p>Intune mobile device management rolling out to all mobile devices such as phones, iPads, and android tablets.</p> <p>Tabletop cyber exercise is planned for SLT, run by an external cyber security specialist.</p> <p>Continue to look at Security Operations Centre (SOC) / Security</p> |




|   |  |
|---|--|
|   | <p>Information and Event Management (SIEM) solutions.</p> <p>Firewalls locked down to UK and Ireland Traffic only.</p> <p>Pen testing of firewall in June 2024.</p> <p>Cyber insurance has been renewed for 2025/26.</p> <p>Mimecast email filter contract renewed until June 2028.</p> <p>Digital services policy to be reviewed this year, this will also include an AI section.</p>   |
| <p>Council does not have adequate resources to respond to the Climate Emergency Declaration and deliver the Climate Pledge as adopted by Council in 2020.</p> | <p>Climate Change Strategy under development (to include updated Adaptation Action Plan &amp; Mitigation Action Plan).</p> <p>Responsible Procurement Strategy is currently under review before proceeding to Committee for approval in Autumn 2025.</p> <p>Sustainable Development Goal Tag Tool to be implemented across all Departments.</p> <p>Green Infrastructure Lead – Climate &amp; Biodiversity in post and Climate Officer (to lead the Sustainability &amp; Climate Commission) in post.</p> <p>Investment Plan to include necessary staff and resource requirements currently being appraised. A number of existing resources already secured through rates process.</p> <p>External funding secured to deliver Climate Programmes &amp; Initiatives 2017-2025.</p> <p>Additional programme money to be identified by the Innovate UK funded Action &amp; Investment Plan (due Autumn 2025).</p> <p>Ongoing discussions with Government in relation to funding provided to Councils in UK and ROI for climate not replicated in NI.</p> |

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

Signed 

Alderman Keith Kerrigan  
On behalf of Assurance, Audit & Risk Committee

Date 22 September 2025

Signed 

Mr John Kelpie, Chief Executive

Date 22 September 2025

## **Remuneration Report for the year ended 31 March 2025**

### **Introduction**

The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 require larger local government bodies to prepare a remuneration report as part of the statement of accounts.

### **Allowance and Remuneration Arrangements**

#### **Councillors**

Allowances are payable by councils to councillors and committee members under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and The Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012, which came into operation on 1 April 2012.

Guidance and determinations on Councillors' Allowances applicable from 1 April 2024 were issued by the Department for Communities on 9 December 2024 (Circular LG 15/2024). Details of the allowances paid to individual councillors are published on council websites.

Following local elections on 18 May 2023, 462 councillors were elected to the 11 new councils for a four year term. Derry City and Strabane District Council has 40 councillors at any one time. The total number of Councillors paid during the year was 40.

#### **Senior Employees**

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

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

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

## Allowances Paid to Councillors

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

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

| Allowance                              | 2024/25               |  | 2023/24               |   |
|--|-----------------------|--|-----------------------|---|
|  | Total Allowances<br>£ | Number of Councillors<br>receiving the Allowance | Total Allowances<br>£ | Number of Councillors<br>receiving the<br>Allowance |
| Basic Allowance                        | 698,242               | 40   | 600,018               | 56  |
| Mayor Allowance                        | 31,950                | 2  | 31,950                | 2   |
| Deputy Mayor<br>Allowance              | 7,987                 | 2  | 7,987                 | 2   |
| Special<br>Responsibility<br>Allowance | 79,127                | 24   | 67,863                | 22  |
| Dependents' Carers<br>Allowance        | 30                    | 1  | 314                   | 1   |
| PCSP Allowance                         | 5,400                 | 10   | 3,960                 | 10  |
| Employer Costs                         | 208,317               | 40   | 167,847               | 56  |
| Mileage Allowance                      | 13,976                | 14   | 8,013                 | 10  |
| Courses /<br>Conferences and<br>Visits | 258                   | -  | 3,203                 | -   |
| Travel and<br>Subsistence              | 821                   | 4  | 317                   | 4   |
| General Secretarial<br>Services        | 2,290                 | 40   | 3,643                 | 56  |
| Other Costs                            | 1,094                 | 40   | 869                   | 56  |
| Communication<br>and Support Costs     | 1,839                 | 40   | 3,383                 | 56  |
| <b>TOTAL ALLOWANCES</b>                | <b>1,051,331</b>      |  | <b>899,367</b>        |   |

The overall number of Councillors at any one time is 40. The total number of Councillors paid during the year was 40.

Details of the allowances paid to individual councillors in 2024/25 are published on the council website at [www.derrystrobane.com](http://www.derrystrobane.com).

The Council employs an independent member who sits on the Assurance, Audit and Risk Committee. This member was paid £1,650 in 2024/25 (2023/24: £1,650). There is no pension entitlement.

## Remuneration of Senior Employees

The remuneration of senior employees covers the Chief Executive and three Directors. The following table provides details of the remuneration paid to these senior employees:

**Table 2: Remuneration (including salary) (audited information)**

| Officers  | 2024/25  |                      |  |             | 2023/24  |                      |  |             |
|---|--|----------------------|--|-------------|--|----------------------|--|-------------|
|   | Salary (Full year equivalent in brackets where applicable) £'000 | Bonus Payments £'000 | Benefits in kind (to nearest £100) £'000 | Total £'000 | Salary (Full year equivalent in brackets where applicable) £'000 | Bonus Payments £'000 | Benefits in kind (to nearest £100) £'000 | Total £'000 |
| Chief Executive - John Kelpie                           | 130-135  | -                    | -  | 130-135     | 130-135*   | -                    | -  | 130-135*    |
| Director of Business & Culture - Stephen Gillespie      | 95-100   | -                    | -  | 95-100      | 95-100   | -                    | -  | 95-100      |
| Director of Health & Community - Karen McFarland        | 95-100   | -                    | -  | 95-100      | 95-100   | -                    | -  | 95-100      |
| Director of Environment & Regeneration - Karen Phillips | 95-100   | -                    | -  | 95-100      | 95-100   | -                    | -  | 95-100      |

\*This includes salary in relation to the role of Deputy Returning Officer for the May 2023 election.

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

The banded remuneration of the highest paid member of the Executive Management Team/Senior Management Team in the financial year 2024/25 was £130k-135k. This was 3.41 times the median remuneration of the workforce, which was £38,842.

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

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

**Bonus Payments;** no bonuses were paid during the current or prior year.

**Benefits in kind;** the monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. No benefits in kind were provided in the current or prior year.

**Table 3: Relationship between the remuneration of the highest paid member of the Executive Management Team / Senior Management Team and the median remuneration of the Council's workforce (audited information)**

|   | 2024/25      | 2023/24      |
|---|--------------|--------------|
| Salary Band of Highest Paid member of the Executive Management Team/ Senior Management Team | £130k- £135k | £130k- £135k |
| Median Total Remuneration   | £39k         | £38k         |
| Ratio   | 3.41         | 3.50         |

In 2024/25, no employees received remuneration in excess of the highest paid member of the Executive Management Teams / Senior Management Team.

## Exit Packages for Staff

The number of exit packages provided to all staff by the Council, together with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

**Table 4: Exit Packages in 2024/25 (audited information)**

| Severance Package Cost Band | 2024/25                           |                                   |   |  | 2023/24                           |                                   |   |  |
|-----------------------------|-----------------------------------|-----------------------------------|---|--|-----------------------------------|-----------------------------------|---|--|
|                             | Number of Compulsory Redundancies | Number of Other departures agreed | Total Number of Exit Packages in each Cost Band | Total Cost of Packages in each Cost Band £'000 | Number of Compulsory Redundancies | Number of Other departures agreed | Total Number of Exit Packages in each Cost Band | Total Cost of Packages in each Cost Band £'000 |
| £0 - £20,000 **             | -                                 | -                                 | -   | -  | -                                 | -                                 | -   | 42   |
| £20,001 - £40,000           | -                                 | -                                 | -   | -  | -                                 | -                                 | -   | -  |
| £40,001 - £60,000           | -                                 | -                                 | -   | -  | -                                 | 2                                 | 2   | 117  |
| £60,001 - £80,000           | -                                 | 1                                 | 1   | 67   | -                                 | -                                 | -   | -  |
| £80,001 - £100,000          | -                                 | -                                 | -   | -  | -                                 | -                                 | -   | -  |
| £100,001 - £150,000         | -                                 | -                                 | -   | -  | -                                 | -                                 | -   | -  |
| £150,001 - £250,000         | -                                 | -                                 | -   | -  | -                                 | 2                                 | 2   | 373  |
| £250,001+                   | -                                 | 1                                 | 1   | 262  | -                                 | -                                 | -   | -  |
| <b>Total</b>                | -                                 | 2                                 | 2   | 329  | -                                 | 4                                 | 4   | 532  |

\*\*The £42k cost in the £0-£20,000 in 2023/24 band relates to adjustments to provisions set aside for employees whose exit packages were agreed during 2022/23.

## Pension Benefits

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

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

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

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

The ranges for the bands for tiered contribution rates are revised by the Department for Communities in April each year in accordance with the increase applied to a pension in payment. The bands, effective from 1 April 2024, were as follows:

**Table 5: Employee Contribution Rates**

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

Employers' contribution rates are determined by the fund's actuary every three years at the triennial valuation. A formal triennial actuarial valuation of the Fund as at 31 March 2022 was carried out in 2022/23 and set the employer contribution rates for the 3 years commencing 1 April 2023 as follows:

**Table 6: Employer Contribution Rates**

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

The Local Government Pension Scheme Regulations (Northern Ireland) 2014 were made on 27 June 2014 and The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014 were made on 30 June 2014. Both sets of regulations are effective from 1 April 2015.

Councillors have been able to join the Scheme since May 2011 and therefore have not accrued significant benefits thus far. However, the in-year pension contributions made by the Council for all councillors during 2024/25 was £144,339.

The value of pension benefits of the most senior management of the Council accrued during the year was as follows:

**Table 7: Pension Benefits of Senior Staff in 2024/25 (audited information)**

| Officers  | Accrued Pension at pension age as at 31/3/25<br>£'000 | Real increase in pension and related lump sum at pension age<br>£'000 | CETV at 31/3/25<br>£'000 | CETV at 31/3/24<br>£'000 | Real increase in CETV<br>£'000 |
|---|---|---|--------------------------|--------------------------|--------------------------------|
| Chief Executive - John Kelpie                           | 50-55   | 4.8 – 1.0<br>plus 25-30 lump sum                                      | 909                      | 800                      | 81                             |
| Director of Business & Culture - Stephen Gillespie      | 35-40   | 3.0   | 624                      | 558                      | 48                             |
| Director of Health & Community - Karen McFarland        | 55-60   | 3.2 – 0.7<br>plus 85-90 lump sum                                      | 1,254                    | 1,184                    | 41                             |
| Director of Environment & Regeneration - Karen Phillips | 30-35   | 3.0 – 0.1<br>plus 10-15 lump sum                                      | 536                      | 478                      | 42                             |

### The Cash Equivalent Transfer Value (CETV)

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

### The Real Increase in the Value of the CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.



**John Kelpie**  
**Chief Executive**  
**22 September 2025**

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

I certify that;

- a) The Statement of Accounts for the year ended 31 March 2025 on pages 36 to 109 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 40 to 51.
- 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 2025.



**John Kelpie**  
**Chief Financial Officer**  
**22 September 2025**

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

These accounts have been approved by resolution of Council's Assurance, Audit and Risk Committee on 22 September 2025.



**Alderman Keith Kerrigan**  
**On behalf of Assurance, Audit & Risk Committee**  
**22 September 2025**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DERRY CITY AND STRABANE DISTRICT COUNCIL**

### **Opinion on financial statements**

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

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

In my opinion the financial statements:

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

### **Basis for opinion**

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

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

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

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

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

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

### **Other Information**

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

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

I have nothing to report in this regard.

### **Opinion on other matters**

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



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

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

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

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

- in my opinion:
  - o the Annual Governance Statement:
    - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25;
    - does not comply with proper practices specified by the Department for Communities;
    - is misleading or inconsistent with other information I am aware of from my audit; or
  - o adequate accounting records have not been kept; or
  - o the Statement of Accounts and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
  - o I have not received all of the information and explanations I require for my audit, or
- I issue a report in the public interest under Article 9 of the Local Government (Northern Ireland) Order 2005; or
- I designate under Article 12 of the Local Government (Northern Ireland) Order 2005 any recommendation made to the Council; or
- I exercise the other special powers of the auditor under Article 19 to 21 of the Local Government (Northern Ireland) Order 2005.

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

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

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

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

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

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

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to Derry City and Strabane District Council through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included governing legislation and any other relevant laws and regulations identified;
- making enquires of management and those charged with governance on Derry City and Strabane District Council's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Derry City and Strabane District Council's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- communicating with component auditors to request identification of any instances of non-compliance with laws and regulations that could give rise to a material misstatement of the group financial statements;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
  - o performing analytical procedures to identify unusual or unexpected relationships or movements;
  - o testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - o assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias;
  - o investigating significant or unusual transactions made outside of the normal course of business; and
- applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing.

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

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

**Certificate**

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

A handwritten signature in dark ink, reading "Colette Kane". The signature is written in a cursive style with a large initial 'C'.

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

Date: 25 September 2025

**Derry City and Strabane District Council**  
**Comprehensive Income and Expenditure Statement for the year ended 31 March 2025**

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with statutory requirements; this may be difference from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

|  |      | 2024/25            |                      |                     | 2023/24           |                      |                    |
|--|------|--------------------|----------------------|---------------------|-------------------|----------------------|--------------------|
|  |      | Gross Expenditure  | Gross Income         | Net Expenditure     | Gross Expenditure | Gross Income         | Net Expenditure    |
| Service Expenditure  | Note | £                  | £                    | £                   | £                 | £                    | £                  |
| Cross Cutting Support Services                               | 2    | 9,072,322          | (594,776)            | 8,477,546           | 8,735,216         | (1,005,736)          | 7,729,480          |
| Environment & Regeneration                                   | 2    | 41,250,576         | (4,450,864)          | 36,799,712          | 40,389,737        | (8,122,971)          | 32,266,766         |
| Business & Culture   | 2    | 15,601,337         | (6,413,347)          | 9,187,990           | 13,912,640        | (5,543,752)          | 8,368,888          |
| Health & Community   | 2    | 24,458,323         | (7,351,288)          | 17,107,035          | 23,319,104        | (6,935,507)          | 16,383,597         |
| Council  | 2    | 1,397,844          | -                    | 1,397,844           | 1,641,703         | (1,759)              | 1,639,944          |
| City of Derry Airport  | 2    | 4,297,880          | (2,041,313)          | 2,256,567           | 4,256,218         | (2,146,946)          | 2,109,272          |
| Other Corporate  | 2    | 1,228,481          | (15,008)             | 1,213,473           | 1,943,557         | (31,200)             | 1,912,357          |
| <b>Cost of Services on Continuing Operations</b>             |      | <b>97,306,763</b>  | <b>(20,866,596)</b>  | <b>76,440,167</b>   | <b>94,198,175</b> | <b>(23,787,871)</b>  | <b>70,410,304</b>  |
| Other Operating Expenditure/ Income*                         | 8    | 1,799,538          | (5,607,298)          | (3,807,760)         | 273,322           | (7,350)              | 265,972            |
| Financing and Investment Income and Expenditure              | 9    | 5,072,071          | (4,217,030)          | 855,041             | 4,969,056         | (582,179)            | 4,386,877          |
| <b>Net Operating Expenditure</b>                             |      | <b>104,178,372</b> | <b>(30,690,924)</b>  | <b>73,487,448</b>   | <b>99,440,553</b> | <b>(24,377,400)</b>  | <b>75,063,153</b>  |
| Taxation and Non-Specific Grant Income                       | 10   | -                  | (82,585,308)         | (82,585,308)        | -                 | (77,049,375)         | (77,049,375)       |
| <b>(Surplus)/Deficit on the Provision of Services</b>        |      | <b>104,178,372</b> | <b>(113,276,232)</b> | <b>(9,097,860)</b>  | <b>99,440,553</b> | <b>(101,426,775)</b> | <b>(1,986,222)</b> |
|  |      |                    |                      |                     |                   |                      |                    |
| (Surplus)/Deficit on revaluation of non-current assets       | 11   |                    |                      | (3,026,263)         |                   |                      | (9,448,039)        |
| Remeasurements of the Net Defined Benefit Liability/ (Asset) | 21   |                    |                      | (400,000)           |                   |                      | 4,160,000          |
| <b>Other Comprehensive Income and Expenditure</b>            |      |                    |                      | <b>(3,426,263)</b>  |                   |                      | <b>(5,288,039)</b> |
|  |      |                    |                      |                     |                   |                      |                    |
| <b>Total Comprehensive Income and Expenditure</b>            |      |                    |                      | <b>(12,524,123)</b> |                   |                      | <b>(7,274,261)</b> |

\* Included within "Other Operating Income" of £5,607,298 is £5,005,598 of exceptional income relating to income received and receivable from HMRC regarding the previously overdeclared output VAT in respect of leisure and recreational income. HMRC have settled Council's claim covering the period up to 31 March 2024 with a further claim for the period 1 April 2024 – 31 March 2025 now submitted to HMRC.

**Derry City and Strabane District Council**  
**Movement in Reserves Statement for the year ended 31 March 2025**

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

|  | General Fund<br>Summary | Other Fund<br>Balances and<br>Reserves | Capital<br>Receipts<br>Reserve | Total Usable<br>Reserves | Total Unusable<br>Reserves | Total Council<br>Reserves |
|--|-------------------------|--|--------------------------------|--------------------------|----------------------------|---------------------------|
|  | £                       | £                                      | £                              | £                        | £                          | £                         |
| <b>Balance as at 1 April 2023</b>                                    | <b>6,266,769</b>        | <b>53,205,993</b>                      | <b>913,362</b>                 | <b>60,386,124</b>        | <b>176,761,993</b>         | <b>237,148,117</b>        |
| <b>Movement in reserves during the year</b>                          |                         |  |                                |                          |                            |                           |
| Surplus/ (Deficit) on the provision of services                      | 1,986,222               | -                                      | -                              | 1,986,222                | -                          | 1,986,222                 |
| Other Comprehensive Income and Expenditure                           | -                       | -                                      | -                              | -                        | 5,288,039                  | 5,288,039                 |
| <b>Total Comprehensive Income and Expenditure</b>                    | <b>1,986,222</b>        | <b>-</b>                               | <b>-</b>                       | <b>1,986,222</b>         | <b>5,288,039</b>           | <b>7,274,261</b>          |
| Adjustments between accounting basis & funding under regulations     | (1,708,212)             | (3,268,742)                            | (51,912)                       | (5,028,866)              | 5,028,866                  | -                         |
| <b>Net increase before transfers to Statutory and Other Reserves</b> | <b>278,010</b>          | <b>(3,268,742)</b>                     | <b>(51,912)</b>                | <b>(3,042,644)</b>       | <b>10,316,905</b>          | <b>7,274,261</b>          |
| Transfers to / from Statutory and Other Reserves                     | 82,764                  | (82,764)                               | -                              | -                        | -                          | -                         |
| <b>Increase / (Decrease) in year</b>                                 | <b>360,774</b>          | <b>(3,351,506)</b>                     | <b>(51,912)</b>                | <b>(3,042,644)</b>       | <b>10,316,905</b>          | <b>7,274,261</b>          |
| <b>Balance as at 31 March 2024</b>                                   | <b>6,627,543</b>        | <b>49,854,487</b>                      | <b>861,450</b>                 | <b>57,343,480</b>        | <b>187,078,898</b>         | <b>244,422,378</b>        |
| <b>Movement in reserves during the year</b>                          |                         |  |                                |                          |                            |                           |
| Surplus/ (Deficit) on the provision of services                      | 9,097,860               | -                                      | -                              | 9,097,860                | -                          | 9,097,860                 |
| Other Comprehensive Income and Expenditure                           | -                       | -                                      | -                              | -                        | 3,426,263                  | 3,426,263                 |
| <b>Total Comprehensive Income and Expenditure</b>                    | <b>9,097,860</b>        | <b>-</b>                               | <b>-</b>                       | <b>9,097,860</b>         | <b>3,426,263</b>           | <b>12,524,123</b>         |
| Adjustments between accounting basis & funding under regulations     | 209,152                 | (6,834,337)                            | 387,111                        | (6,238,074)              | 6,238,074                  | -                         |
| <b>Net increase before transfers to Statutory and Other Reserves</b> | <b>9,307,012</b>        | <b>(6,834,337)</b>                     | <b>387,111</b>                 | <b>2,859,786</b>         | <b>9,664,337</b>           | <b>12,524,123</b>         |
| Transfers to / from Statutory and Other Reserves                     | (9,162,175)             | 9,162,175                              | -                              | -                        | -                          | -                         |
| <b>Increase / (Decrease) in year</b>                                 | <b>144,837</b>          | <b>2,327,838</b>                       | <b>387,111</b>                 | <b>2,859,786</b>         | <b>9,664,337</b>           | <b>12,524,123</b>         |
| <b>Balance as at 31 March 2025</b>                                   | <b>6,772,380</b>        | <b>52,182,325</b>                      | <b>1,248,561</b>               | <b>60,203,266</b>        | <b>196,743,235</b>         | <b>256,946,501</b>        |

## Derry City and Strabane District Council

### Balance Sheet as at 31 March 2025

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

|   | Note | 31 March 2025      | 31 March 2024      |
|---|------|--------------------|--------------------|
|   |      | £                  | £                  |
| Fixed Assets                                    | 11   | 242,825,477        | 234,424,852        |
| Long Term Debtors                               | 15   | 3,930,626          | 3,353,604          |
| <b>LONG TERM ASSETS</b>                         |      | <b>246,756,103</b> | <b>237,778,456</b> |
| Inventories                                     | 14   | 440,816            | 367,925            |
| Short Term Debtors                              | 15   | 26,823,480         | 37,954,331         |
| Cash and Cash Equivalents                       | 24   | 35,971,978         | 19,442,567         |
| Assets Held for Sale                            | 11   | 1,097,647          | 3,098,851          |
| <b>CURRENT ASSETS</b>                           |      | <b>64,333,921</b>  | <b>60,863,674</b>  |
| Short Term Borrowing                            | 17   | 3,372,317          | 3,578,658          |
| Short Term Creditors                            | 18   | 15,708,487         | 15,255,299         |
| Provisions                                      | 19   | 182,537            | 170,236            |
| <b>CURRENT LIABILITIES</b>                      |      | <b>19,263,341</b>  | <b>19,004,193</b>  |
| Provisions                                      | 19   | 3,176,332          | 2,679,822          |
| Long Term Borrowing                             | 17   | 30,377,850         | 31,038,737         |
| Other Long Term Liabilities                     | 21   | 1,326,000          | 1,497,000          |
| <b>LONG TERM LIABILITIES</b>                    |      | <b>34,880,182</b>  | <b>35,215,559</b>  |
|   |      |                    |                    |
| <b>NET ASSETS</b>                               |      | <b>256,946,501</b> | <b>244,422,378</b> |
|   |      |                    |                    |
| <b>USABLE RESERVES</b>                          |      |                    |                    |
| Capital Receipts Reserve                        | 25a  | 1,248,561          | 861,450            |
| Capital Grants Unapplied Account                | 25b  | 20,663,584         | 26,627,255         |
| Capital Fund                                    | 25c  | 17,884,617         | 10,140,333         |
| Renewal and Repairs Fund                        | 25d  | 5,897,032          | 5,068,037          |
| Other Balances and Reserves                     | 25e  | 1,012,662          | 1,087,563          |
| General Fund                                    | 25f  | 6,772,380          | 6,627,543          |
| Financial Commitments and Contingencies Reserve | 25g  | 6,724,430          | 6,931,299          |
|   |      | <b>60,203,266</b>  | <b>57,343,480</b>  |
| <b>UNUSABLE RESERVES</b>                        |      |                    |                    |
| Capital Adjustment Account                      | 26a  | 99,229,888         | 88,803,544         |
| Revaluation Reserve                             | 26b  | 100,036,773        | 100,899,220        |
| Pensions Reserve                                | 26c  | (1,326,000)        | (1,497,000)        |
| Accumulated Absences Account                    | 26d  | (1,197,426)        | (1,126,866)        |
|   |      | <b>196,743,235</b> | <b>187,078,898</b> |
|   |      |                    |                    |
| <b>NET WORTH</b>                                |      | <b>256,946,501</b> | <b>244,422,378</b> |

## Derry City and Strabane District Council

### Cash Flow Statements at 31 March 2025

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (ie borrowing) to the Council.

|  | Note      | 2024/25           | 2023/24            |
|--|-----------|-------------------|--------------------|
|  |           | £                 | £                  |
| Net Surplus / (Deficit) on the provision of services   |           | 9,097,860         | 1,986,222          |
| Adjustment for non-cash movements  | 24a       | 15,930,770        | 2,589,963          |
| Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities | 24a       | (5,738,163)       | (4,306,264)        |
| <b>Net cash flows from operating activities</b>  | <b>24</b> | <b>19,290,467</b> | <b>269,921</b>     |
| Cash flows from Investing Activities   | 24d       | 424,616           | (3,875,197)        |
| Net Cash flows from Financing Activities   | 24e       | (3,185,672)       | (2,460,804)        |
| <b>Net increase or decrease in cash and cash equivalents</b>   |           | <b>16,529,411</b> | <b>(6,066,080)</b> |
| Cash and cash equivalents at the beginning of the reporting period   |           | 19,442,567        | 25,508,647         |
| <b>Cash and cash equivalents at the end of the reporting period</b>  |           | <b>35,971,978</b> | <b>19,442,567</b>  |

**Derry City and Strabane District Council**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2025**

**1. Accounting Policies**

**a) General Principles**

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Council is required to prepare an annual Statement of Accounts in a form directed by the Department for Communities in accordance with regulations 3 (7) and (8) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 also requires disclosure in respect of:

**Summary of Material Accounting Policy Information**

**i) Accruals and Income and Expenditure**

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

**ii) Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions as well as other Local Council Authorities repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than six 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 wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, and are recognised as an expense in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, eg time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made based on the average number of days carried per employee multiplied by the estimated cost to Council. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

### **Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

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

### **Post Employment Benefits**

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

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

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

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

Liabilities are discounted to their value at current prices, using a discount rate based on the Aon Hewitt GBP Select AA Curve over the duration of the Employer's liabilities.

The assets of the Northern Ireland Local Government Officers' pension fund attributable to the Council are included in the Balance Sheet at their fair value:

- quoted securities – current bid price
- unquoted securities – professional estimate
- property – market value
- unitised securities – current bid price

Where Council has a net defined asset it is measured at the lower of a) the surplus in the defined benefit plan and b) the asset ceiling determined using the discount rate.

The change in the net pensions liability is analysed into the following components:

Service cost comprising:

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

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

Within Financing and Investment Income and Expenditure

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

Within Other Comprehensive Income and Expenditure (Remeasurements)

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

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

Within the Movement in Reserves Statement Appropriations

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

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

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

Discretionary Benefits

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

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

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

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

## **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 (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

## **ix) Financial Instruments**

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

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

## **Financial Assets**

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

- Amortised cost
- Fair Value through profit or loss (FVPL), and
- Fair value through other comprehensive income (FVOCI)

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

## **Financial Assets Measured at Amortised Cost**

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

## **Expected Credit Loss Model**

The Council recognises expected credit losses on all of its financial assets held at amortised cost [or where relevant FVOCI], either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the debtor could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not

increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

### **Financial Assets Measured at Fair Value through Profit or Loss**

Financial assets that are measured at FVPL 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. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

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

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

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

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

### **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 in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

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

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

### **xii) Intangible Assets**

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

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

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

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £5,000) the Capital Receipts Reserve.

#### **xiii) Inventories**

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 (First In, First Out) 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.

Council has no investment properties.

#### **xv) Landfill Allowance Scheme**

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

#### **xvi) Leases**

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

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

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

#### **The Council as Lessee**

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

Right of use assets are measured at the commencement of the lease by calculating the present value of the minimum lease payments. The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

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

Property, Plant and Equipment recognised under leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise district rates to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue towards the deemed capital investment in accordance with statutory requirements.

Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

#### **The Council as Lessor – Finance Leases**

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

Lease rentals receivable are apportioned between:

- a) a charge for the acquisition of the interest in the property – applied to write down the lease debtor together with any premiums received, and
- b) finance income (credited to the Financing and Investment income and Expenditure line in the Comprehensive Income and Expenditure Statement).

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

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

#### **The Council as Lessor – Operating Lease**

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

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

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

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

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

When an asset is disposed of, or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if

any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal exceeding £5,000 are categorised as capital receipts and credited to the Capital Receipts Reserve. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

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

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

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

#### **Recognition**

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

#### **Measurement**

Assets are initially measured at cost, comprising:

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

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

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (ie it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account.

Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

- infrastructure, community assets and vehicles, plant and equipment – depreciated historical cost
- assets under construction – historical cost
- heritage assets – insurance value
- surplus assets - the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

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

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

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

### **Impairment**

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

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

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

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

### **Depreciation**

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

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

- buildings are depreciated based on their estimated remaining useful life as advised by Land and Property Services. This ranges from 2 to 60 years.
- vehicles, plant, furniture and equipment are depreciated on a straight line basis on historic cost with useful lives ranging from 5 to 67 years.
- infrastructure assets are depreciated on a straight line basis on historic cost with useful lives ranging from 4 to 20 years.
- intangible assets are depreciated over their estimated lives ranging from 5 to 20 years.

Depreciation for right of use (ROU) assets is calculated on the shorter of the useful life and the lease term of the underlying asset. Council has calculated depreciation based on the lease term of each individual asset:

- buildings are depreciated over years ranging from 1 to 16 years
- land is depreciated over years ranging from 1 to 108 years
- vehicles are depreciated over remaining lease term of 1 to 2 years.

### **Componentisation**

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

### **Revaluations**

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

#### **xix) Heritage Assets**

Heritage Assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture.

Heritage Assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historic associations. They would be held by this authority in pursuit of our overall objectives in relation to the maintenance of heritage.

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

Heritage assets are valued annually for insurance purposes by an external independent body.



## **xx) 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.

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.

## **xxi) Reserves**

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

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

## **xxii) Charges to the Comprehensive Income and Expenditure Account in respect of Non-Current Assets**

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

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

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

## **xxiii) Revenue Expenditure Funded from Capital Under Statute (REFCUS)**

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.

## **xxiv) Value Added Tax**

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

## **xxv) Fair Value Measurement**

The Council measures some of its non-financial assets such as surplus assets and investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an

orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

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

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

At the balance sheet date, the following new standards and amendments to existing standards have been published, but not yet adopted by the Code of Practice for Local Authority Accounting:

- 1) IAS 21 The Effect of Changes in Foreign Exchange Rate issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- 2) IFRS 16 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- 3) The changes to the measurement of non-investments assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy.

It is likely there will be limited application of items 1 and 2.

#### **c) Critical Judgements in Applying Accounting Policies**

For the 2024/25 financial year, the Council has not made any critical judgements about complex transactions or those involving uncertainty about future events.

#### **d) Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty**

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

#### **City of Derry Airport**

In line with the significant Central Government support provided to Regional Airports throughout Europe, a medium-term Business Plan was approved by Council in March 2021 setting out support required from Governments to ensure the medium-term sustainability of CODA for a further 6-year period until critical transport infrastructure (A5 and A6) is progressed and roads connectivity to the North West is significantly enhanced. The Business Case was submitted to Governments in April 2021 and an initial sum of £3m was secured for 2022/23. An updated addendum to the business case was submitted to Government in February 2024 following which a further £3m funding was secured for 2024/25.

Council was advised in October 2024 that responsibility for supporting the airport for the period 2025/26 – 2028/29

would be taken forward by the Department for Economy (DFE). Following a very complex process requiring updates to the business case, robust scrutiny of the business case including casework approval by DFE, as well as referral of the proposed subsidy to the Competition and Markets Authority; the Economy Minister confirmed on the 18 April 2025 that DFE has assumed responsibility for providing annual operating funding of up to £3m for CODA from 1 April 2025. This is an extremely positive outcome which provides certainty for the airport up to 31 March 2029 and which recognizes the vital role the airport plays in the economic development of the entire North-West and enables the airport to plan for future growth in the years ahead.

Following completion of a tender process the PSO route to London Heathrow was approved by Department for Transport and commenced operations on 6 May 2023. In close liaison with the Northern Ireland Executive and the Department for Transport (DFT), further funding of £4.627m has been secured for a further 2-year period from 1 April 2025 to 31 March 2027 to ensure the continued operation of the critical London PSO route. This is an incredibly positive result and the first time that funding has been secured for beyond a one-year period.

#### **Pension Liability**

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

**Derry City and Strabane District Council**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2025**

**2a Expenditure and Funding Analysis**

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

|   | 2024/25  |                    |   | 2023/24  |                    |   |
|---|--|--------------------|---|--|--------------------|---|
|   | Net Expenditure Chargeable to the General Fund | Adjustments        | Net Expenditure in the Comprehensive Income and Expenditure Statement | Net Expenditure Chargeable to the General Fund | Adjustments        | Net Expenditure in the Comprehensive Income and Expenditure Statement |
|   | £  | £                  | £   | £  | £                  | £   |
| Cross Cutting Support Services                            | 8,269,758                                      | 207,788            | 8,477,546   | 7,551,133                                      | 178,347            | 7,729,480   |
| Environment & Regeneration                                | 33,336,861                                     | 3,462,851          | 36,799,712  | 29,096,069                                     | 3,170,697          | 32,266,766  |
| Business & Culture  | 8,234,309                                      | 953,681            | 9,187,990   | 7,602,444                                      | 766,444            | 8,368,888   |
| Health & Community  | 13,827,210                                     | 3,279,825          | 17,107,035  | 13,417,584                                     | 2,966,013          | 16,383,597  |
| Council   | 1,376,987                                      | 20,857             | 1,397,844   | 1,698,033                                      | (58,089)           | 1,639,944   |
| City of Derry Airport                                     | 3,058,815                                      | (802,248)          | 2,256,567   | 4,780,760                                      | (2,671,488)        | 2,109,272   |
| Other Corporate   | 14,131   | 1,231,078          | 1,245,209   | 462,912  | 1,449,445          | 1,912,357   |
| Capital Financing   | 5,020,160                                      | (5,051,896)        | (31,736)  | 7,582,516                                      | (7,582,516)        | -   |
| Transfers to/from reserves & provisions                   | 9,162,175                                      | (9,162,175)        | -   | (82,764)                                       | 82,764             | -   |
| <b>Net Cost of Services</b>                               | <b>82,300,406</b>                              | <b>(5,860,239)</b> | <b>76,440,167</b>   | <b>72,108,687</b>                              | <b>(1,698,383)</b> | <b>70,410,304</b>   |
| Other Income and Expenditure                              | (82,445,243)                                   | (3,092,784)        | (85,538,027)  | (72,469,461)                                   | 72,935             | (72,396,526)  |
| <b>(Surplus) or Deficit</b>                               | <b>(144,837)</b>                               | <b>(8,953,023)</b> | <b>(9,097,860)</b>  | <b>(360,774)</b>                               | <b>(1,625,448)</b> | <b>(1,986,222)</b>  |
| Opening General Fund                                      |  |                    | 6,627,543   |  |                    | 6,266,769   |
| <b>Surplus/ (Deficit) on General Fund Balance in Year</b> |  |                    | 144,837   |  |                    | 360,774   |
| <b>Closing General Fund</b>                               |  |                    | <b>6,772,380</b>  |  |                    | <b>6,627,543</b>  |

Net expenditure charged to the general fund of £82,300,406 is effectively the 2024/25 net accrued cost of running the Council that has to be funded by rates or from the existing surplus in the general fund.

'Capital financing' consists of loan interest, revenue contributions and minimum revenue provision (MRP) charges. The capital financing costs in relation to City of Derry Airport (CODA) of £2,499,746 have not been included within this capital financing line but are instead included within 'City of Derry Airport.'

'Other Income and Expenditure' relates to items within notes 8 to 10. The amount of £82,445,243 relates to revenue grants and district rates income (note 10) of £77,439,645 alongside the exceptional item of £5,005,598 in relation to the HMRC Leisure VAT reclaim (note 8b). The £3,092,784 relates to the deficit on disposal of assets of £1,197,838 (note 8a), financing and investment net cost of £855,041 (note 9) offset by capital grants income of £5,145,663 (note 10).

£479,729 of this £855,041 financing and investment net cost relates to the write down of shares in CODA.

**2b Note to the Expenditure and Funding Analysis**

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

**Adjustments between Funding and Accounting Basis 2024/25**

| Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts   | Adjustments for Capital Purposes | Net Change for the Pension Adjustments | Other Statutory Adjustments | Other non-statutory Adjustments | Total adjustments |
|---|----------------------------------|--|-----------------------------|---------------------------------|-------------------|
|   | £                                | £                                      | £                           | £                               | £                 |
| Cross Cutting Support Services  | 166,090                          | 41,698                                 | -                           | -                               | 207,788           |
| Environment & Regeneration  | 3,327,140                        | 135,711                                | -                           | -                               | 3,462,851         |
| Business & Culture  | 913,043                          | 40,638                                 | -                           | -                               | 953,681           |
| Health & Community  | 3,195,012                        | 84,813                                 | -                           | -                               | 3,279,825         |
| Council   | 14,717                           | 6,140                                  | -                           | -                               | 20,857            |
| City of Derry Airport   | 2,177,227                        | -                                      | -                           | (2,979,475)                     | (802,248)         |
| Capital Financing   | -                                | -                                      | -                           | (5,051,896)                     | (5,051,896)       |
| Other Corporate   | -                                | -                                      | 70,560                      | 1,160,518                       | 1,231,078         |
| Transfers to/from Reserves & Provisions   | -                                | -                                      | -                           | (9,162,175)                     | (9,162,175)       |
| Net Cost of Services  | 9,793,229                        | 309,000                                | 70,560                      | (16,033,028)                    | (5,860,239)       |
| Other Income and Expenditure from the Expenditure and Funding Analysis  | (3,947,825)                      | (80,000)                               | -                           | 935,041                         | (3,092,784)       |
| Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services | 5,845,404                        | 229,000                                | 70,560                      | (15,097,987)                    | (8,953,023)       |

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

| Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts   | Adjustments for Capital Purposes | Net Change for the Pension Adjustments | Other Statutory Adjustments | Other non-statutory Adjustments | Total adjustments |
|---|----------------------------------|--|-----------------------------|---------------------------------|-------------------|
|   | £                                | £                                      | £                           | £                               | £                 |
| Cross Cutting Support Services  | 163,173                          | 15,174                                 | -                           | -                               | 178,347           |
| Environment & Regeneration  | 3,119,560                        | 51,137                                 | -                           | -                               | 3,170,697         |
| Business & Culture  | 751,691                          | 14,753                                 | -                           | -                               | 766,444           |
| Health & Community  | 2,935,136                        | 30,877                                 | -                           | -                               | 2,966,013         |
| Council   | (60,148)                         | 2,059                                  | -                           | -                               | (58,089)          |
| City of Derry Airport   | 2,107,885                        | -                                      | -                           | (4,779,373)                     | (2,671,488)       |
| Capital Financing   | -                                | -                                      | -                           | (7,582,516)                     | (7,582,516)       |
| Other Corporate   | -                                | 831,000                                | 183,536                     | 434,909                         | 1,449,445         |
| Transfers to/from Reserves & Provisions   | -                                | -                                      | -                           | 82,764                          | 82,764            |
| Net Cost of Services  | 9,017,297                        | 945,000                                | 183,536                     | (11,844,216)                    | (1,698,383)       |
| Other Income and Expenditure from the Expenditure and Funding Analysis  | (4,313,942)                      | (304,000)                              | -                           | 4,690,877                       | 72,935            |
| Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services | 4,703,355                        | 641,000                                | 183,536                     | (7,153,339)                     | (1,625,448)       |

### **Adjustments for Capital Purposes**

Adjustments to General Fund Balances to meet the requirements of generally accepted accounting practices, this column adds in depreciation and impairment and revaluation gains and losses in the services line and for:

- i) Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- ii) Financing and investment income and expenditure - the statutory charges for capital financing ie Minimum Revenue Provision and other revenue contributions are deducted from financing and investment income and expenditure as these are not chargeable under generally accepted accounting practices.
- iii) Taxation and Non Specific Grant Income and Expenditure – Capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

### **Net Change for Pension Adjustment**

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

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

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

### **Other Statutory Differences**

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

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

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

### **Other Non-Statutory Adjustments**

Other non-statutory adjustments represent amounts debited/credited to service segments which need to be adjusted against the 'Other income and expenditure from the Expenditure and Funding Analysis' line to comply with the presentational requirements in the Comprehensive Income and Expenditure Statement:

For financing and investment income and expenditure the other non-statutory adjustments column recognises adjustments to service segments, eg for interest income and expenditure and changes in the fair values of investment properties.

For taxation and non-specific grant income and expenditure the other non-statutory adjustments column recognised adjustments to service segments, eg for un-ringfenced government grants.

## 2c Segmental Income and Expenditure

Income and expenditure on a segmental basis are analysed below.

|   | 2024/25            |                      |  | 2023/24           |                     |  |
|---|--------------------|----------------------|--|-------------------|---------------------|--|
|   | Gross Expenditure  | Income               | Net Expenditure as reported to Council | Gross Expenditure | Income              | Net Expenditure as reported to Council |
|   | £                  | £                    | £                                      | £                 | £                   | £                                      |
| Chief Executive                                   | 1,717,535          | (350,003)            | 1,367,532                              | 2,194,147         | (650,494)           | 1,543,653                              |
| Personnel   | 869,954            | (1,030)              | 868,924                                | 811,682           | (3,181)             | 808,501                                |
| Policy & Improvement                              | 2,274,494          | (18,727)             | 2,255,767                              | 2,003,178         | (19,310)            | 1,983,868                              |
| Governance  | 1,409,887          | (20,062)             | 1,389,825                              | 1,288,265         | (20,845)            | 1,267,420                              |
| Strategic Finance & Funding                       | 1,948,758          | (47,737)             | 1,901,021                              | 1,734,666         | (162,797)           | 1,571,869                              |
| Legal Services                                    | 643,906            | (157,217)            | 486,689                                | 524,931           | (149,109)           | 375,822                                |
| <b>Cross Cutting Corporate Services</b>           | <b>8,864,534</b>   | <b>(594,776)</b>     | <b>8,269,758</b>                       | <b>8,556,869</b>  | <b>(1,005,736)</b>  | <b>7,551,133</b>                       |
| Environment & Regeneration Office                 | 3,900,280          | (825,632)            | 3,074,648                              | 6,295,812         | (4,898,891)         | 1,396,921                              |
| Planning & Regeneration                           | 2,627,950          | (1,003,144)          | 1,624,806                              | 2,655,283         | (1,161,639)         | 1,493,644                              |
| Environment Service                               | 31,259,495         | (2,622,088)          | 28,637,407                             | 28,267,945        | (2,062,441)         | 26,205,504                             |
| <b>Environment &amp; Regeneration Directorate</b> | <b>37,787,725</b>  | <b>(4,450,864)</b>   | <b>33,336,861</b>                      | <b>37,219,040</b> | <b>(8,122,971)</b>  | <b>29,096,069</b>                      |
| Business & Culture Director                       | 198,560            | -                    | 198,560                                | 208,041           | -                   | 208,041                                |
| Business  | 4,817,873          | (4,042,022)          | 775,851                                | 3,306,265         | (2,481,843)         | 824,422                                |
| Culture   | 9,631,223          | (2,371,325)          | 7,259,898                              | 9,631,890         | (3,061,909)         | 6,569,981                              |
| <b>Business &amp; Culture Directorate</b>         | <b>14,647,656</b>  | <b>(6,413,347)</b>   | <b>8,234,309</b>                       | <b>13,146,196</b> | <b>(5,543,752)</b>  | <b>7,602,444</b>                       |
| Health & Community Office                         | 565,407            | -                    | 565,407                                | 512,818           | -                   | 512,818                                |
| Community Wellbeing                               | 2,993,407          | (820,250)            | 2,173,157                              | 2,774,764         | (804,375)           | 1,970,389                              |
| Community Development & Leisure                   | 17,619,684         | (6,531,038)          | 11,088,646                             | 17,065,509        | (6,131,132)         | 10,934,377                             |
| <b>Health and Community Directorate</b>           | <b>21,178,498</b>  | <b>(7,351,288)</b>   | <b>13,827,210</b>                      | <b>20,353,091</b> | <b>(6,935,507)</b>  | <b>13,417,584</b>                      |
| <b>Council</b>                                    | <b>1,376,987</b>   | <b>-</b>             | <b>1,376,987</b>                       | <b>1,699,792</b>  | <b>(1,759)</b>      | <b>1,698,033</b>                       |
| <b>City of Derry Airport</b>                      | <b>8,100,128</b>   | <b>(5,041,313)</b>   | <b>3,058,815</b>                       | <b>6,927,706</b>  | <b>(2,146,946)</b>  | <b>4,780,760</b>                       |
| <b>Capital Financing</b>                          | <b>5,020,160</b>   | <b>-</b>             | <b>5,020,160</b>                       | <b>7,582,516</b>  | <b>-</b>            | <b>7,582,516</b>                       |
| Pension Costs                                     | 128,001            | -                    | 128,001                                | 122,363           | -                   | 122,363                                |
| Other Costs                                       | 1,029,921          | (15,008)             | 1,014,913                              | 806,658           | (31,200)            | 775,458                                |
| Bank Interest and Charges                         | 88,247             | (1,217,030)          | (1,128,783)                            | 147,270           | (582,179)           | (434,909)                              |
| <b>Other Costs</b>                                | <b>1,246,169</b>   | <b>(1,232,038)</b>   | <b>14,131</b>                          | <b>1,076,291</b>  | <b>(613,379)</b>    | <b>462,912</b>                         |
| <b>Exceptional Item*</b>                          | <b>-</b>           | <b>(5,005,598)</b>   | <b>(5,005,598)</b>                     | <b>-</b>          | <b>-</b>            | <b>-</b>                               |
| <b>Transfers to / from reserves</b>               | <b>9,162,175</b>   | <b>-</b>             | <b>9,162,175</b>                       | <b>(82,764)</b>   | <b>-</b>            | <b>(82,764)</b>                        |
| <b>Taxation and Non-Specific Grant Income</b>     | <b>-</b>           | <b>(77,439,645)</b>  | <b>(77,439,645)</b>                    | <b>-</b>          | <b>(72,469,461)</b> | <b>(72,469,461)</b>                    |
| <b>TOTAL</b>                                      | <b>107,384,032</b> | <b>(107,528,869)</b> | <b>(144,837)</b>                       | <b>96,478,737</b> | <b>(96,839,511)</b> | <b>(360,774)</b>                       |

\* This relates to income received and receivable from HMRC regarding the previously overdeclared output VAT in respect of leisure and recreational income. HMRC have settled Council's claim covering the period up to 31 March 2024 with a further claim for the period 1 April 2024 – 31 March 2025 now submitted to HMRC.

### 3a Expenditure and Income Analysed by Nature

| Expenditure  |       | 2024/25              | 2023/24 - restated   |
|--|-------|----------------------|----------------------|
|  | Notes | £                    | £                    |
| Employee Benefits Expenses                               | 7     | 45,009,660           | 42,448,764           |
| Other Services Expenditure                               |       | 45,423,874           | 42,732,114           |
| Depreciation, Amortisation, Impairment                   | 4, 11 | 9,793,229            | 9,017,297            |
| Interest Payments  | 9     | 1,672,342            | 1,791,722            |
| Carrying Value of Assets Sold                            | 4, 8  | 1,799,538            | 273,322              |
| Other Expenditure – CODA write down and pension interest | 9     | 479,729              | 3,177,334            |
| <b>Total Expenditure</b>                                 |       | <b>104,178,372</b>   | <b>99,440,553</b>    |
|  |       |                      |                      |
| Income   |       | 2024/25              | 2023/24 - restated   |
|  | Notes | £                    | £                    |
| Interest and Investment Income                           | 9     | (1,217,030)          | (582,179)            |
| District rate income                                     | 10    | (72,909,054)         | (67,983,682)         |
| Government grants and Contributions                      | 10    | (9,676,254)          | (9,065,693)          |
| Proceeds on Disposal                                     | 8     | (601,700)            | (7,350)              |
| Exceptional Income                                       | 8     | (5,005,598)          | -                    |
| Other Grants – Service Areas                             |       | (12,959,798)         | (12,178,356)         |
| Income from Service Delivery                             |       | (10,906,798)         | (11,609,515)         |
| <b>Total Income</b>                                      |       | <b>(113,276,232)</b> | <b>(101,426,775)</b> |
|  |       |                      |                      |
| <b>(Surplus) or Deficit on the Provision of Services</b> |       | <b>(9,097,860)</b>   | <b>(1,986,222)</b>   |

### b Income from Council Services

Amounts included in the Comprehensive Income and Expenditure Statement for contracts with service recipients:

|                                |       | 2024/25           | 2023/24 - restated |
|--------------------------------|-------|-------------------|--------------------|
|                                | Notes | £                 | £                  |
| Cross Cutting Support Services |       | 212,952           | 212,750            |
| Environment & Regeneration     |       | 2,820,039         | 3,035,125          |
| Business & Culture             |       | 3,513,920         | 4,380,844          |
| Health & Community             |       | 4,340,879         | 3,964,894          |
| Other Corporate                |       | 14,008            | 9,959              |
| City of Derry Airport          |       | 5,000             | 5,943              |
| <b>Total Income</b>            |       | <b>10,906,798</b> | <b>11,609,515</b>  |



#### 4a Adjustments between an Accounting Basis and Funding Basis under Regulations

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

|   |         | 2024/25   |                | 2023/24     |                    |
|---|---------|-----------|----------------|-------------|--------------------|
|   | Notes   | £         | £              | £           | £                  |
| <b>Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:</b>    |         |           |                |             |                    |
| Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services   | 11      | (46,449)  |                | (98,146)    |                    |
| Depreciation charged in the year on non-current assets  | 11      | 9,839,678 | 9,793,229      | 9,115,443   | 9,017,297          |
| Net Revenue expenditure funded from capital under statute (REFCUS)  | 12      |           | 1,527,098      |             | 4,499,584          |
| REFCUS - Governments Grants and Other Contributions   | 12      | (813,853) |                | (4,346,458) |                    |
| REFCUS - Direct Financing   | 12      | (713,245) | (1,527,098)    | (153,126)   | (4,499,584)        |
| Carrying amount of non current assets sold  | 8, 26a  | 1,799,538 |                | 273,322     |                    |
| Proceeds from the sale of PP&E, investment property and intangible assets   | 8, 25a  | (601,700) | 1,197,838      | (7,350)     | 265,972            |
| Net charges made for retirement benefits in accordance with IAS 19  | 21      |           | 6,654,000      |             | 7,163,000          |
| Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners   | 21      |           | (6,425,000)    |             | (6,522,000)        |
| Capital Grants and Donated Assets Receivable and Applied in year  | 10b     |           | (1,827,162)    |             | 4,933,301          |
| Capital Grants Receivable and Unapplied in year   | 10c     |           | (3,318,501)    |             | (9,513,215)        |
| Adjustments in relation to Short-term compensated absences  | 26d     |           | 70,560         |             | 183,536            |
| <b>Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year</b> |         |           |                |             |                    |
| Statutory Provision for the financing of Capital Investment   | 12, 25f |           | (3,770,777)    |             | (4,068,169)        |
| Direct revenue financing of Capital Expenditure   | 12, 25f |           | (2,165,035)    |             | (3,167,934)        |
|   |         |           | <b>209,152</b> |             | <b>(1,708,212)</b> |

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

|  |       | 2024/25     |                    | 2023/24     |                    |
|--|-------|-------------|--------------------|-------------|--------------------|
|  | Notes | £           | £                  | £           | £                  |
| <b>Capital Fund</b>                                      |       |             |                    |             |                    |
| Transfer to General Fund                                 | 25c   | 1,051,843   |                    | 348,742     |                    |
| Transfer from General Fund                               | 25c   | (9,534,935) | <b>(8,483,092)</b> | (3,774,599) | <b>(3,425,857)</b> |
| <b>Repairs and Renewal Fund</b>                          |       |             |                    |             |                    |
| Transfer to General Fund                                 | 25d   | 391,647     |                    | 1,146,903   |                    |
| Transfer from General Fund                               | 25d   | (1,352,500) | <b>(960,853)</b>   | (684,530)   | <b>462,373</b>     |
| <b>Other Funds and Earmarked Reserves</b>                |       |             |                    |             |                    |
| Transfer to General Fund                                 | 25e   | 417,401     |                    | 488,096     |                    |
| Transfer from General Fund                               | 25e   | (342,500)   | <b>74,901</b>      | (295,084)   | <b>193,012</b>     |
| <b>Financial Commitments &amp; Contingencies Reserve</b> |       |             |                    |             |                    |
| Transfer to General Fund                                 | 25g   | 942,140     |                    | 3,263,236   |                    |
| Transfer from General Fund                               | 25g   | (735,271)   | <b>206,869</b>     | (410,000)   | <b>2,853,236</b>   |
|  |       |             | <b>(9,162,175)</b> |             | <b>82,764</b>      |

## 5 Cost of Services on Continuing Operations

### a General Power of Competence

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

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

The actual expenditure under the power of competence amounted to £0 during 2024/25 (£0 in 2023/24).

### b External Audit Fees

Council's external auditors have set the following fees for their work in relation to the year-end financial statements and performance audits.

|  | 2024/25       | 2023/24       |
|--|---------------|---------------|
|  | £             | £             |
| External Audit Fees – Financial Statements | 76,650        | 73,000        |
| External Audit Fees - Performance Audit    | 22,000        | 22,500        |
|  | <b>98,650</b> | <b>95,500</b> |

In 2024/25, the external auditors were also paid £1,377 in relation to their work associated with the National Fraud Initiative exercise. No such costs were incurred in 2023/24.

## 6 Operating and Financing Leases

### a Finance Leases – Council as Lessor

The Council does not have any leases that would be classified as finance leases under the IFRS Code.

### b Operating Leases – Council as Lessor

The Council 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 local businesses
- any other purposes

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £158,452 (2023/24: £128,071).

The future minimum lease income is set out below:

|   | 2024/25        | 2023/24        |
|---|----------------|----------------|
|   | £              | £              |
| Not later than 1 year                       | 107,575        | 102,773        |
| Later than 1 year and no later than 5 years | 150,550        | 113,635        |
| Later than 5 years                          | 387,570        | 80,283         |
|   | <b>645,695</b> | <b>296,691</b> |

### c Leases – Right of Use Assets (ROU) – Council as Lessee

The Council makes use of several assets which are leased from third parties.

The assets used under these leases are carried within land, buildings and property, plant and equipment on the Balance Sheet – see note 11f.

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

|   | 31 March 2025    | 31 March 2024  |
|---|------------------|----------------|
|   | £                | £              |
| Lease Liabilities (net present value of minimum lease payments) |                  |                |
| Current   | 201,012          | 4,307          |
| Non-current   | 1,952,769        | 83,700         |
| <b>Lease Liabilities</b>  | <b>2,153,781</b> | <b>88,007</b>  |
| Finance costs payable in future years                           | 2,157,513        | 391,993        |
|   | <b>4,311,294</b> | <b>480,000</b> |

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

|   | Minimum Lease Payments |                | Lease Liabilities |               |
|---|------------------------|----------------|-------------------|---------------|
|   | 31 March 2025          | 31 March 2024  | 31 March 2025     | 31 March 2024 |
|   | £                      | £              | £                 | £             |
| Not later than one year                           | 274,402                | 5,000          | 201,012           | 4,307         |
| Later than one year and not later than five years | 1,001,353              | 20,000         | 676,051           | 15,237        |
| Later than five years                             | 3,035,539              | 455,000        | 1,276,718         | 68,463        |
|   | <b>4,311,294</b>       | <b>480,000</b> | <b>2,153,781</b>  | <b>88,007</b> |

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

|   | 2024/25        | 2023/24        |
|---|----------------|----------------|
|   | £              | £              |
| <b>Comprehensive Income and Expenditure Statement</b>                                     |                |                |
| Interest expense on lease liabilities   | 93,338         | 473            |
| Expense relating to short term leases   | 2,200          | 0              |
| Expense relating to exempt leases of low value items                                      | 25,269         | 0              |
| Expense relating to operating leases prior to implementation of IFRS 16 (prior year only) | 0              | 301,923        |
| <b>Balance Sheet</b>  |                |                |
| Repayment of lease liabilities held on the balance sheet                                  | 226,942        | 4,527          |
| <b>Cash Flow Statement</b>  |                |                |
| Total cash outflow for leases   | <b>347,749</b> | <b>306,923</b> |

## 7 Employee Costs and Member Allowances

### a Staff Costs

|  | 2024/25           | 2023/24           |
|--|-------------------|-------------------|
|  | £                 | £                 |
| Salaries and Wages                       | 34,813,092        | 32,867,391        |
| Employers NIC                            | 3,478,427         | 3,278,599         |
| Employers Superannuation – NILGOSC       | 6,209,396         | 5,835,978         |
| Employers Superannuation – Civil Service | 346,837           | 315,908           |
| Apprenticeship Levy                      | 161,908           | 150,888           |
| <b>Total Staff Costs</b>                 | <b>45,009,660</b> | <b>42,448,764</b> |

The above figures include £74,458 for the capital costs incurred in respect of Council's 2024/25 exit packages (2023/24; £336,158).

In addition, agency costs during the year amounted to £410,266 (2023/24; £334,900) and short-term compensating absences during the year amounted to £1,197,426 (2023/24; £1,126,866).

The Council's current contribution rate to the NILGOSC scheme is 19% (2023/24; 19%).

At the last actuarial valuation dated 31 March 2022, there was a surplus of £1,004.4m relative to the liabilities and the funding level was 111%.

The Council incurred total costs (including superannuation capital costs detailed above) of £329,149 during 2024/25 (2023/24; £532,358) in respect of former employees who were granted early retirement or redundancy or employees who continued to pay their contributions during periods of absence such as career breaks.

### b Average Number of Employees

|                            | 2024/25        | 2023/24        |
|----------------------------|----------------|----------------|
|                            | FTE            | FTE            |
| Full time numbers employed | 759            | 760            |
| Part time numbers employed | 165            | 140            |
| <b>Total Number</b>        | <b>924</b>     | <b>900</b>     |
|                            | 2024/25        | 2023/24        |
|                            | Actual Numbers | Actual Numbers |
| Full time numbers employed | 769            | 766            |
| Part time numbers employed | 293            | 282            |
| <b>Total Number</b>        | <b>1,062</b>   | <b>1,048</b>   |

**c Senior Employees' Remuneration**

|                       | 2024/25   | 2023/24   |
|-----------------------|-----------|-----------|
| £50,001 to £60,000    | 70        | 42        |
| £60,001 to £70,000    | 11        | 12        |
| £70,001 to £80,000    | 7         | 5         |
| £80,001 to £90,000    | 4         | 2         |
| £90,001 to £100,000   | 4         | 3         |
| £100,001 to £110,000  | 1         | 0         |
| £110,001 to £120,000  | 0         | 0         |
| £120,001 to £130,000  | 0         | 0         |
| £130,001 to £140,000* | 1         | 1         |
| <b>Total Number</b>   | <b>98</b> | <b>65</b> |

\*For the 2023/24 comparative, this includes salary in relation to the role of Deputy Returning Officer for the May 2023 election

**d Members' Allowances**

|                                  | 2024/25          | 2023/24        |
|----------------------------------|------------------|----------------|
|                                  | £                | £              |
| Basic Allowance                  | 698,242          | 600,018        |
| Mayor Allowance                  | 31,950           | 31,950         |
| Deputy Mayor Allowance           | 7,987            | 7,987          |
| Special Responsibility Allowance | 79,127           | 67,863         |
| Dependents' Carers Allowance     | 30               | 314            |
| PCSP Allowance                   | 5,400            | 3,960          |
| Employer Costs                   | 208,317          | 167,847        |
| Mileage Allowance                | 13,976           | 8,013          |
| Courses / Conferences and Visits | 258              | 3,203          |
| Travel and Subsistence           | 821              | 317            |
| General Secretarial Services     | 2,290            | 3,643          |
| Other Costs                      | 1,094            | 869            |
| Communication and Supports Cost  | 1,839            | 3,383          |
| <b>Total Costs</b>               | <b>1,051,331</b> | <b>899,367</b> |

**e Northern Ireland Civil Service Pension Arrangements**

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

The Northern Ireland Civil Service pension arrangements are unfunded multi-employer defined benefit schemes but the Department for Communities at 01/04/2015 was unable to identify the share of the underlying assets and liabilities.

The Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2020 scheme valuation was completed by GAD in October 2023. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2024 to 31 March 2027.

No employees opted to open a partnership pension account, a stakeholder pension with an employer contribution.

For 2024/25, employers' contributions of £346,837 (2023/24: £315,908) were payable to the NICS pension arrangements at a standard rate of 34.25% of pensionable pay.

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

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

|  | 2024/25          | 2023/24        |
|--|------------------|----------------|
|  | £                | £              |
| Proceeds from sale   | (601,700)        | (7,350)        |
| Carrying amount of non-current assets sold (excluding investment properties) | 1,799,538        | 273,322        |
|  | <b>1,197,838</b> | <b>265,972</b> |

**b Other Operating Income and Expenditure**

|                    | 2024/25            | 2023/24  |
|--------------------|--------------------|----------|
|                    | £                  | £        |
| Exceptional Income | (5,005,598)        | -        |
|                    | <b>(5,005,598)</b> | <b>-</b> |

Exceptional income relates to income received and receivable from HMRC regarding the previously overdeclared output VAT in respect of leisure and recreational income. HMRC have settled Council's claim covering the period up to 31 March 2024 with a further claim for the period 1 April 2024 – 31 March 2025 now submitted to HMRC.

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

|                          | 2024/25          | 2023/24          |
|--------------------------|------------------|------------------|
|                          | £                | £                |
| Lease interest           | 93,338           | 473              |
| Bank Charges             | 8,929            | 8,145            |
| Government Loan interest | 1,522,492        | 1,643,979        |
| Other Charges (Exchange) | 47,583           | 139,125          |
|                          | <b>1,672,342</b> | <b>1,791,722</b> |

**b Interest and Investment Income**

|                            | 2024/25          | 2023/24        |
|----------------------------|------------------|----------------|
|                            | £                | £              |
| Bank interest              | 1,211,213        | 578,124        |
| Employee car loan interest | 5,817            | 4,055          |
|                            | <b>1,217,030</b> | <b>582,179</b> |

**c Pensions Interest Costs and Expected Return on Pensions Assets**

|  | 2024/25         | 2023/24          |
|--|-----------------|------------------|
|  | £               | £                |
| Net interest on the net defined benefit liability (asset) & unrecognised asset | (80,000)        | (304,000)        |
|  | <b>(80,000)</b> | <b>(304,000)</b> |

**Summary - Financing and Investment Income and Expenditure**

|   | 2024/25           |                    |                 | 2023/24           |                  |                  |
|---|-------------------|--------------------|-----------------|-------------------|------------------|------------------|
|   | Gross Expenditure | Gross Income       | Net Expenditure | Gross Expenditure | Gross Income     | Net Expenditure  |
|   | £                 | £                  | £               | £                 | £                | £                |
| Interest Payable and Similar Charges            | 1,672,342         | -                  | 1,672,342       | 1,791,722         | -                | 1,791,722        |
| Interest and Investment Income                  | -                 | (1,217,030)        | (1,217,030)     | -                 | (582,179)        | (582,179)        |
| Pensions Interest Cost                          | (80,000)          | -                  | (80,000)        | (304,000)         | -                | (304,000)        |
| Write Down of Value of Shares Purchased in CODA | 3,479,729         | (3,000,000)        | 479,729         | 3,481,334         | -                | 3,481,334        |
| <b>Total Number</b>                             | <b>5,072,071</b>  | <b>(4,217,030)</b> | <b>855,041</b>  | <b>4,969,056</b>  | <b>(582,179)</b> | <b>4,386,877</b> |

**10 Taxation and Non-Specific Grant Income****a Revenue Grants**

|                              | 2024/25            | 2023/24            |
|------------------------------|--------------------|--------------------|
|                              | £                  | £                  |
| Transferring Functions Grant | (440,548)          | (413,647)          |
| De-rating Grant              | (3,423,543)        | (3,084,934)        |
| Rates Support Grant          | (666,500)          | (987,198)          |
|                              | <b>(4,530,591)</b> | <b>(4,485,779)</b> |

**b Capital Grants and Donated Assets - Applied**

|  | 2024/25            | 2023/24          |
|--|--------------------|------------------|
|  | £                  | £                |
| Government & Other Grants – Conditions met and Applied in Year | (1,817,962)        | 5,214,301        |
| Donated Assets – Conditions Met                                | (9,200)            | (281,000)        |
|  | <b>(1,827,162)</b> | <b>4,933,301</b> |

**c Capital Grants – Unapplied**

|  | 2024/25            | 2023/24            |
|--|--------------------|--------------------|
|  | £                  | £                  |
| Government & Other Grants – Conditions not met and not Applied in Year | (3,318,501)        | (9,513,215)        |
|  | <b>(3,318,501)</b> | <b>(9,513,215)</b> |

**d District Rates**

|              | 2024/25             | 2023/24             |
|--------------|---------------------|---------------------|
|              | £                   | £                   |
| Current Year | (72,909,054)        | (67,983,682)        |
|              | <b>(72,909,054)</b> | <b>(67,983,682)</b> |

**Summary - Taxation and Non-Specific Grant Income**

|                                  | 2024/25             | 2023/24             |
|----------------------------------|---------------------|---------------------|
|                                  | £                   | £                   |
| District Rate Income             | (72,909,054)        | (67,983,682)        |
| Revenue Grants                   | (4,530,591)         | (4,485,779)         |
| Capital Grants and Contributions | (5,145,663)         | (4,579,914)         |
| <b>Total</b>                     | <b>(82,585,308)</b> | <b>(77,049,375)</b> |

**11a Long Term Assets – Current Year**

| Cost or Valuation   | Land<br>£         | Buildings<br>£     | Infrastructure<br>Assets<br>£ | Vehicles,<br>Plant &<br>Equipment<br>£ | Community<br>Assets<br>£ | PP&E Under<br>Construction<br>£ | Surplus Assets<br>£ | Total PP&E<br>£    | Heritage<br>Assets<br>£ | TOTAL<br>£         |
|---|-------------------|--------------------|-------------------------------|--|--------------------------|---------------------------------|---------------------|--------------------|-------------------------|--------------------|
| <b>Balance b/f as at 1 April 2024</b>   | <b>26,055,870</b> | <b>157,895,345</b> | <b>19,839,398</b>             | <b>43,429,704</b>                      | <b>7,607,868</b>         | <b>12,512,847</b>               | <b>4,399,649</b>    | <b>271,740,681</b> | <b>8,615,685</b>        | <b>280,356,366</b> |
| Recognition of Right of Use Assets at 1 April 2024                                    | 1,081,306         | 1,222,279          | -                             | 14,858                                 | -                        | -                               | -                   | <b>2,318,443</b>   | -                       | <b>2,318,443</b>   |
| Adjustments between cost/value & depreciation/impairment                              | (137)             | (6,687,426)        | -                             | -                                      | -                        | -                               | -                   | <b>(6,687,563)</b> | -                       | <b>(6,687,563)</b> |
| <b>Balance as at 1 April 2024</b>   | <b>27,137,039</b> | <b>152,430,198</b> | <b>19,839,398</b>             | <b>43,444,562</b>                      | <b>7,607,868</b>         | <b>12,512,847</b>               | <b>4,399,649</b>    | <b>267,371,561</b> | <b>8,615,685</b>        | <b>275,987,246</b> |
| Additions   | 94                | 245,391            | 27,740                        | 1,704,658                              | -                        | 10,526,111                      | -                   | <b>12,503,994</b>  | -                       | <b>12,503,994</b>  |
| Donations (see note 22)   | 9,200             | -                  | -                             | -                                      | -                        | -                               | -                   | <b>9,200</b>       | -                       | <b>9,200</b>       |
| Revaluation increases/ (decreases) to Revaluation Reserve                             | 2,950             | 4,490,929          | -                             | -                                      | -                        | -                               | (13,796)            | <b>4,480,083</b>   | (32,649)                | <b>4,447,434</b>   |
| Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services | (2,068)           | 53,329             | -                             | -                                      | -                        | -                               | -                   | <b>51,261</b>      | (4,812)                 | <b>46,449</b>      |
| Impairment to Surplus or Deficit on the Provision of Services                         | -                 | -                  | -                             | -                                      | -                        | -                               | -                   | -                  | -                       | -                  |
| Derecognition - Disposals   | -                 | -                  | -                             | (1,752,662)                            | -                        | -                               | -                   | <b>(1,752,662)</b> | (1,500)                 | <b>(1,754,162)</b> |
| Reclassifications & Transfers   | 1,974             | 6,048,633          | 5,619,400                     | 1,334,650                              | -                        | (13,197,677)                    | -                   | <b>(193,020)</b>   | 191,694                 | <b>(1,326)</b>     |
| Reclassified to(-) / from(+) Held for Sale  | -                 | -                  | -                             | -                                      | -                        | -                               | (80,000)            | <b>(80,000)</b>    | -                       | <b>(80,000)</b>    |
| <b>Balance as at 31 March 2025</b>  | <b>27,149,189</b> | <b>163,268,480</b> | <b>25,486,538</b>             | <b>44,731,208</b>                      | <b>7,607,868</b>         | <b>9,841,281</b>                | <b>4,305,853</b>    | <b>282,390,417</b> | <b>8,768,418</b>        | <b>291,158,835</b> |
|   |                   |                    |                               |  |                          |                                 |                     |                    |                         |                    |
| Depreciation and Impairment   | Land<br>£         | Buildings<br>£     | Infrastructure<br>Assets<br>£ | Vehicles,<br>Plant &<br>Equipment<br>£ | Community<br>Assets<br>£ | PP&E Under<br>Construction<br>£ | Surplus Assets<br>£ | Total PP&E<br>£    | Heritage<br>Assets<br>£ | TOTAL<br>£         |
| <b>Balance as at 1 April 2024</b>   | -                 | <b>19,913</b>      | <b>11,516,758</b>             | <b>35,148,117</b>                      | -                        | -                               | -                   | <b>46,684,788</b>  | -                       | <b>46,684,788</b>  |
| Adjustments between cost/value & depreciation/impairment                              | (137)             | (6,687,426)        | -                             | -                                      | -                        | -                               | -                   | <b>(6,687,563)</b> | -                       | <b>(6,687,563)</b> |
| <b>Balance as at 1 April 2024</b>   | <b>(137)</b>      | <b>(6,667,513)</b> | <b>11,516,758</b>             | <b>35,148,117</b>                      | -                        | -                               | -                   | <b>39,997,225</b>  | -                       | <b>39,997,225</b>  |
| Depreciation Charge   | 114,408           | 6,800,406          | 1,230,683                     | 1,625,272                              | -                        | -                               | -                   | <b>9,770,769</b>   | -                       | <b>9,770,769</b>   |
| Derecognition - Disposals   | -                 | -                  | -                             | (615,984)                              | -                        | -                               | -                   | <b>(615,984)</b>   | -                       | <b>(615,984)</b>   |
| <b>Balance as at 31 March 2025</b>  | <b>114,271</b>    | <b>132,893</b>     | <b>12,747,441</b>             | <b>36,157,405</b>                      | -                        | -                               | -                   | <b>49,152,010</b>  | -                       | <b>49,152,010</b>  |
|   |                   |                    |                               |  |                          |                                 |                     |                    |                         |                    |
| <b>Balance as at 31 March 2025</b>  | <b>27,034,918</b> | <b>163,135,587</b> | <b>12,739,097</b>             | <b>8,573,803</b>                       | <b>7,607,868</b>         | <b>9,841,281</b>                | <b>4,305,853</b>    | <b>233,238,407</b> | <b>8,768,418</b>        | <b>242,006,825</b> |

## **Valuations**

A revaluation of Land, Buildings and Surplus Assets was carried out by an independent valuer from Land and Property Services (LPS) as at 31 March 2025. A combination of desktop valuations and physical inspections were carried out by the valuer. This included material asset additions and material reclassifications of assets which are revalued in the year of completion / transfer. Please refer to note 1a xviii for further information on revaluation and depreciation policies. The net revaluation gain / loss and impairments have been reflected in the above figures for 2024/25.

LPS were provided with information on right of use (ROU) assets for revaluation purposes at 31 March 2025. Upon their review not all ROU assets have been revalued based on materiality, those leases which are overholding and leases which include open market rents.

Heritage assets were revalued for insurance purposes by the independent valuer Gurr Johns Limited as at 31 March 2025 who carried out a physical inspection of assets.

## **City of Derry Airport**

The City of Derry Airport is a fully owned subsidiary of Council.

During 2024/25, the Council transferred operational plant and machinery assets at the Airport in the sum of £1,136,678 (2023/24 £82,974) to City of Derry Airport (Operations) Limited in consideration for shares in the company to the net book values of the assets transferred. These shares are deemed to have no market value due to the current trading conditions at the Airport and the transfer has resulted in a loss on disposal of these assets.

Land and building assets related to the Airport are retained by Council. The value of these assets in note 11 on a going concern basis are £5.29m of land and £37.00m of buildings with an associated total revaluation reserve on these assets of £26.88m.

At 31 March 2025, £637,161 is also held by Council in assets under construction in relation to the Fire Tender and Hold Baggage System projects reflecting expenditure for works currently being undertaken but not complete as at 31 March.



**b Long Term Assets – Comparative Year**

| Cost or Valuation   | Land<br>£         | Buildings<br>£     | Infrastructure<br>Assets<br>£ | Vehicles,<br>Plant &<br>Equipment<br>£ | Community<br>Assets<br>£ | PP&E Under<br>Construction<br>£ | Surplus Assets<br>£ | Total PP&E<br>£    | Heritage<br>Assets<br>£ | TOTAL<br>£         |
|---|-------------------|--------------------|-------------------------------|--|--------------------------|---------------------------------|---------------------|--------------------|-------------------------|--------------------|
| <b>Balance as at 1 April 2023</b>   | <b>25,897,870</b> | <b>158,908,756</b> | <b>15,993,805</b>             | <b>43,369,287</b>                      | <b>7,607,868</b>         | <b>9,322,389</b>                | <b>3,955,649</b>    | <b>265,055,624</b> | <b>5,289,078</b>        | <b>270,344,702</b> |
| Adjustments between cost/value & depreciation/impairment                              | -                 | (6,297,695)        | -                             | -                                      | -                        | -                               | -                   | (6,297,695)        | -                       | (6,297,695)        |
| <b>Balance as at 1 April 2023</b>   | <b>25,897,870</b> | <b>152,611,061</b> | <b>15,993,805</b>             | <b>43,369,287</b>                      | <b>7,607,868</b>         | <b>9,322,389</b>                | <b>3,955,649</b>    | <b>258,757,929</b> | <b>5,289,078</b>        | <b>264,047,007</b> |
| Additions   | -                 | 155,463            | 1,320                         | 661,699                                | -                        | 8,578,338                       | -                   | <b>9,396,820</b>   | -                       | <b>9,396,820</b>   |
| Donations (see note 22)   | 6,000             | -                  | -                             | 275,000                                | -                        | -                               | -                   | <b>281,000</b>     | -                       | <b>281,000</b>     |
| Revaluation increases/ (decreases) to Revaluation Reserve                             | 13,576            | 5,025,888          | -                             | -                                      | -                        | -                               | 14,000              | <b>5,053,464</b>   | 2,614,575               | <b>7,668,039</b>   |
| Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services | 14,875            | 71,098             | -                             | -                                      | -                        | -                               | (22,073)            | <b>63,900</b>      | 60,148                  | <b>124,048</b>     |
| Impairment to Surplus or Deficit on the Provision of Services                         | -                 | (25,902)           | -                             | -                                      | -                        | -                               | -                   | <b>(25,902)</b>    | -                       | <b>(25,902)</b>    |
| Derecognition - Disposals   | (41,545)          | (127,888)          | -                             | (876,282)                              | -                        | -                               | -                   | <b>(1,045,715)</b> | (9,468)                 | <b>(1,055,183)</b> |
| Reclassifications & Transfers   | 165,094           | 185,625            | 3,844,273                     | -                                      | -                        | (5,387,880)                     | 452,073             | <b>(740,815)</b>   | 661,352                 | <b>(79,463)</b>    |
| Reclassified to(-) / from(+) Held for Sale  | -                 | -                  | -                             | -                                      | -                        | -                               | -                   | -                  | -                       | -                  |
| <b>Balance as at 31 March 2024</b>  | <b>26,055,870</b> | <b>157,895,345</b> | <b>19,839,398</b>             | <b>43,429,704</b>                      | <b>7,607,868</b>         | <b>12,512,847</b>               | <b>4,399,649</b>    | <b>271,740,681</b> | <b>8,615,685</b>        | <b>280,356,366</b> |
|   |                   |                    |                               |  |                          |                                 |                     |                    |                         |                    |
| Depreciation and Impairment   | Land<br>£         | Buildings<br>£     | Infrastructure<br>Assets<br>£ | Vehicles,<br>Plant &<br>Equipment<br>£ | Community<br>Assets<br>£ | PP&E Under<br>Construction<br>£ | Surplus Assets<br>£ | Total PP&E<br>£    | Heritage<br>Assets<br>£ | TOTAL<br>£         |
| <b>Balance as at 1 April 2023</b>   | -                 | 19,913             | 10,309,868                    | 34,368,483                             | -                        | -                               | -                   | <b>44,698,264</b>  | -                       | <b>44,698,264</b>  |
| Adjustments between cost/value & depreciation/impairment                              | -                 | (6,297,695)        | -                             | -                                      | -                        | -                               | -                   | <b>(6,297,695)</b> | -                       | <b>(6,297,695)</b> |
| <b>Balance as at 1 April 2022</b>   | -                 | <b>(6,277,782)</b> | <b>10,309,868</b>             | <b>34,368,483</b>                      | -                        | -                               | -                   | <b>38,400,569</b>  | -                       | <b>38,400,569</b>  |
| Depreciation Charge   | -                 | 6,297,695          | 1,206,890                     | 1,561,495                              | -                        | -                               | -                   | <b>9,066,080</b>   | -                       | <b>9,066,080</b>   |
| Derecognition – Disposals   | -                 | -                  | -                             | (781,861)                              | -                        | -                               | -                   | <b>(781,861)</b>   | -                       | <b>(781,861)</b>   |
| <b>Balance as at 31 March 2024</b>  | -                 | <b>19,913</b>      | <b>11,516,758</b>             | <b>35,148,117</b>                      | -                        | -                               | -                   | <b>46,684,788</b>  | -                       | <b>46,684,788</b>  |
| <b>Balance as at 31 March 2024</b>  | <b>26,055,870</b> | <b>157,875,432</b> | <b>8,322,640</b>              | <b>8,281,587</b>                       | <b>7,607,868</b>         | <b>12,512,847</b>               | <b>4,399,649</b>    | <b>225,055,893</b> | <b>8,615,685</b>        | <b>233,671,578</b> |

## 11c Property, Plant and Equipment Depreciation

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

- buildings are depreciated based on their estimated remaining useful life as advised by Land and Property Services. This ranges from 2 to 60 years.
- vehicles, plant, furniture and equipment are depreciated on a straight line basis on historic cost with useful lives ranging from 5 to 67 years.
- infrastructure assets are depreciated on a straight line basis on historic cost with useful lives ranging from 4 to 20 years.
- intangible assets are depreciated over their estimated lives ranging from 5 to 20 years.

Depreciation for right of use (ROU) assets is calculated on the shorter of the useful life and the lease term of the underlying asset. Council has calculated depreciation based on the lease term of each individual asset:

- buildings are depreciated over years ranging from 1 to 16 years
- land is depreciated over years ranging from 1 to 108 years
- vehicles are depreciated over remaining lease term of 1 to 2 years.

### Revaluations

A revaluation of land, buildings and surplus assets was carried out by an independent valuer from Land and Property Services (LPS) as at 31 March 2025. This valuation has been carried out in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. A combination of desktop valuations and physical inspections were carried out by the valuer. This included material asset additions and material reclassifications of assets which are revalued in the year of completion / transfer.

LPS were provided with information on right of use (ROU) assets for revaluation purposes at 31 March 2025. Upon their review not all ROU assets have been revalued based on materiality, those leases which are overholding and leases which include open market rents.

Please refer to note 1a xviii for further information on revaluation and depreciation policies. The net revaluation gain / loss and impairments have been reflected in the above figures for 2024/25.

Heritage assets were revalued for insurance purposes by Gurr Johns Limited as at 31 March 2025 who also carried out physical inspections.

## 11d Intangibles

The Council owns intangible assets which includes various pieces of software purchased by Council to assist in the delivery of services. All software is given a finite useful life, based on an assessment of the period that the software is expected to be of use to the Council.

|                                  | 2024/25          | 2023/24        |
|----------------------------------|------------------|----------------|
|                                  | £                | £              |
| <b>Cost</b>                      |                  |                |
| Balance at 1 April               | 875,401          | 807,774        |
| Additions (transferred from WIP) | -                | 79,463         |
| Additions                        | 134,287          | 22,766         |
| Disposals                        | -                | (34,602)       |
| <b>Balance at 31 March</b>       | <b>1,009,688</b> | <b>875,401</b> |
| <b>Depreciation</b>              |                  |                |
| Balance at 1 April               | 122,127          | 107,366        |
| Depreciation for year            | 68,909           | 49,363         |
| Disposals                        | -                | (34,602)       |
| <b>Balance at 31 March</b>       | <b>191,036</b>   | <b>122,127</b> |
| <b>Net Book Value</b>            | <b>818,652</b>   | <b>753,274</b> |

## 11e Heritage Assets

Heritage assets are valued annually for insurance purposes with the latest valuation date being as at 31 March 2025.

### Sculptures

The collection of sculptures has particularly significant items in terms of both value and public visibility. The collection includes the Where Dreams Are Made and Myles after Myles sculptures located beside the Alley Theatre, the Let the Dance Begin Sculpture which is located on the Lifford Road, Strabane and the recent art installation by world acclaimed artist, Thomas Dambo – Nowanois: The Storytellers – located next to The Sperrin Heritage Centre, near Cranagh, Co. Tyrone. In 2024/25, the "Memory Lines" sculpture was unveiled in Harbour Square dedicated to the shirt factory workers of the City.

## Other Items

Other items include the City Walls cannons and many items of historical and artistic significance on display in the Guildhall, Tower Museum and throughout the main Council buildings.

### 11f Right of Use Assets held under lease (included within Land and Buildings, Vehicles and Equipment)

|   | Land and Buildings | Vehicles, Plant and Equipment | Total at 31.03.25 |
|---|--------------------|-------------------------------|-------------------|
|   |                    | £                             | £                 |
| <b>Cost or Valuation</b>  |                    |                               |                   |
| Balance at 1 April 2024<br>(recognition upon implementation of IFRS 16) | 2,303,585          | 14,858                        | 2,318,443         |
| Depreciation adjustment between cost and depreciation                   | (137)              | -                             | (137)             |
| Revaluations  | 2,950              | -                             | 2,950             |
| Donated Assets  | 9,200              | -                             | 9,200             |
| <b>Balance at 31 March 2025</b>   | <b>2,315,598</b>   | <b>14,858</b>                 | <b>2,330,456</b>  |
| <b>Depreciation</b>   |                    |                               |                   |
| Balance at 1 April  | -                  | -                             | -                 |
| Depreciation for year   | 227,388            | 9,905                         | 237,293           |
| Depreciation adjustment between cost and depreciation                   | (137)              | -                             | (137)             |
| <b>Balance at 31 March 2025</b>   | <b>227,251</b>     | <b>9,905</b>                  | <b>237,156</b>    |
| <b>Net Book Value at 31 March 2025</b>                                  | <b>2,088,347</b>   | <b>4,953</b>                  | <b>2,093,300</b>  |

LPS were provided with information on right of use (ROU) assets for revaluation purposes at 31 March 2025. Upon their review not all ROU assets have been revalued based on materiality, those leases which are overholding and leases which include open market rents.

### 11g Assets Held For Sale – Current Assets

|   | 2024/25          | 2023/24          |
|---|------------------|------------------|
|   | £                | £                |
| <b>Cost</b>   |                  |                  |
| Balance at 1 April  | 3,098,851        | 1,318,851        |
| Transfers from assets under construction  | 1,327            | 0                |
| Transfers from non-current assets during year                                   | 80,000           | 0                |
| Disposals   | (661,360)        | 0                |
| Assets Held for Sale revaluation (decreases) / increases to Revaluation Reserve | (1,421,171)      | 1,780,000        |
| <b>Balance at 31 March</b>  | <b>1,097,647</b> | <b>3,098,851</b> |

The sale of land adjacent to the Strand Road Offices and land at Ballynagard completed during the year as well as a small parcel of land at Lisnagelvin.

Council has approved the disposal of the former Lisnagelvin Leisure Centre site and Council officers are working to progress the sale. Council is also progressing the sale of a small piece of land close to City of Derry Airport to an identified buyer.

The Council has also approved the disposal of a property located next to Castlederg Cemetery which is currently being actively marketed and is listed for sale.

Council have also agreed to the sale of part of the Council owned car park at Strand Road to Ulster University. The sale will be in the form of a 999 year lease with the provision of rights to be reserved for a link road, with development to take place within 5 years. Should development not proceed, the lease will include an option for Council to purchase the asset back. In the intervening period prior to development, Council will lease the lands back for the continued provision of car parking. Given the nature of the transaction and to reflect Council's continued use of this land, the asset continues to be held within operational land and buildings.

### 11h Fair Value Hierarchy for Surplus Assets

Details of the Council's surplus assets and information about the fair value hierarchy as at 31 March 2025 and 2024 are as follows:

| Recurring Fair Value Measurement Using Other Significant Observable Inputs (Level 2) | 2024/25          | 2023/24          |
|--|------------------|------------------|
|  | £                | £                |
| Existing at 1 April  | 4,399,649        | 3,955,649        |
| Transferred to operational during year   | -                | (190,000)        |
| Additions  | -                | 642,073          |
| Transferred to held for sale during year   | (80,000)         | -                |
| Revaluation increases to Revaluation Reserve   | (13,796)         | (8,073)          |
| <b>Total</b>   | <b>4,305,853</b> | <b>4,399,649</b> |

## Valuation Techniques

A revaluation of surplus assets was carried out by Land and Property Services as at 31 March 2025 in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors.

## Valuation Process for Surplus Assets

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

## 12 Capital Expenditure and Capital Financing

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

|   |         | 2024/25            | 2023/24            |
|---|---------|--------------------|--------------------|
|   | Notes   | £                  | £                  |
| <b>Opening Capital Financing Requirement</b>                          |         | 47,820,942         | 53,264,377         |
| <b>Capital Investment</b>   |         |                    |                    |
| Property, Plant and Equipment   | 11      | 12,638,281         | 9,419,586          |
| Right of Use Asset Recognition  | 11f     | 2,318,443          | -                  |
| Donated Assets  | 11, 22  | 9,200              | 281,000            |
| Revenue Expenditure Funded from Capital Under Statute (REFCUS)        | 4       | 1,527,098          | 4,499,584          |
| <b>Sources of Finance</b>   |         |                    |                    |
| Capital Receipts  | 25a     | (214,589)          | (59,262)           |
| Government Grants and Other Contributions                             | 10b     | (1,827,162)        | 4,933,301          |
| Government Grants and Other Contributions applied from previous years | 25b     | (9,282,172)        | (12,086,485)       |
| Transfers from Earmarked Reserves                                     | 25, 26a | (870,666)          | (695,472)          |
| ***REFCUS – Council Contribution                                      | 4       | (713,245)          | (153,126)          |
| ***REFCUS – Government Grants and Other Contributions                 | 4       | (813,853)          | (4,346,458)        |
| <b>Sums Set Aside From Revenue</b>                                    |         |                    |                    |
| Direct Revenue Contributions  | 4       | (2,165,035)        | (3,167,934)        |
| Minimum Revenue Provision (MRP)                                       | 4       | (3,770,777)        | (4,068,169)        |
| <b>Closing Capital Financing Requirement</b>                          |         | <b>44,656,465</b>  | <b>47,820,942</b>  |
| <b>Explanation of Movements in Year</b>                               |         | <b>2024/25</b>     | <b>2023/24</b>     |
|   |         | £                  | £                  |
| Decrease in underlying need to borrow                                 |         | (3,164,477)        | (5,443,435)        |
| Decrease in Capital Financing Requirement                             |         | <b>(3,164,477)</b> | <b>(5,443,435)</b> |

The Council's MRP policy is as follows:

- Loan principal on borrowings made before the introduction of MRP
- The annuity method for borrowing following the introduction of MRP with the exception of fleet and equipment expenditure which Council is funding via internal borrowing with MRP being charged in line with the equal instalment method over the life of the asset.

Revenue Expenditure Funded by Capital Under Statute (REFCUS): Council have undertaken a number of projects including expenditure on community and leisure infrastructure and have provided grant aid to community organisations for which, if Council had an interest in the land or building, would be considered as capital expenditure. However, as Council does not have an interest in the land or buildings this expenditure is deemed to be REFCUS. These projects have been largely funded by external grant aid with Council contributing the remaining balance in full in the year in which the expenditure was incurred.

## 13 Future Capital Commitments

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

|                   | Gross Cost        | Grant Aid           | Net Cost          |
|-------------------|-------------------|---------------------|-------------------|
|                   | £                 | £                   | £                 |
| Schemes Underway  | 32,010,070        | (18,916,333)        | <b>13,093,737</b> |
| Other Commitments | 781,000           | -                   | <b>781,000</b>    |
| <b>Total</b>      | <b>32,791,070</b> | <b>(18,916,333)</b> | <b>13,874,737</b> |

## 14 Inventories

|                            | 2024/25        | 2023/24        |
|----------------------------|----------------|----------------|
|                            | £              | £              |
| Stock: Derry Fuel          | 5,007          | 9,195          |
| Stock: Strabane            | 70,603         | 66,853         |
| Stock: Derry Bins          | 51,892         | 32,022         |
| Stock: Derry Vehicle Items | 302,014        | 249,638        |
| Stock: Strabane Fuel       | 11,300         | 10,217         |
| <b>Total</b>               | <b>440,816</b> | <b>367,925</b> |

The cost of inventories written down, recognised as an expense and included in "services" amounted to £0.

## 15 Debtors

### a Long Term Debtors

|                        | 2024/25          | 2023/24          |
|------------------------|------------------|------------------|
|                        | £                | £                |
| Government Departments | 3,146,701        | 47,723           |
| Employee Car Loans     | 29,520           | 41,816           |
| Capital Grants         | 499,942          | 2,927,124        |
| Gas Income             | 245,361          | 329,432          |
| Other                  | 9,102            | 7,509            |
| <b>Total</b>           | <b>3,930,626</b> | <b>3,353,604</b> |

### b Short Term Debtors

|                                     | 2024/25           | 2023/24           |
|-------------------------------------|-------------------|-------------------|
|                                     | £                 | £                 |
| Government Departments              | 15,842,805        | 8,682,722         |
| Other Councils                      | 509,580           | 1,838,019         |
| Gas Income                          | 137,779           | 140,535           |
| Employee Car Loans                  | 19,388            | 29,170            |
| Revenue Grants                      | 1,782,459         | 4,798,807         |
| Capital Grants                      | 4,193,240         | 19,092,836        |
| Valued Added Tax                    | 2,140,222         | 1,601,768         |
| Prepayments                         | 309,677           | 303,538           |
| Other                               | 2,049,136         | 1,444,710         |
| Trade Receivables                   | 944,331           | 998,849           |
| Impairment Loss – Trade Receivables | (1,105,137)       | (976,623)         |
| <b>Total</b>                        | <b>26,823,480</b> | <b>37,954,331</b> |

|                      | 2024/25           | 2023/24           |
|----------------------|-------------------|-------------------|
|                      | £                 | £                 |
| <b>Total Debtors</b> | <b>30,754,106</b> | <b>41,307,935</b> |

## 16 Investments

### a Long Term Investments

|  | 2024/25     | 2023/24     |
|--|-------------|-------------|
|  | £           | £           |
| Shares Purchased in City of Derry Airport (Operations) Limited (CODA)                        | 1,616,407   | 3,564,308   |
| Write Down of Value of Shares Purchased in City of Derry Airport (Operations) Limited (CODA) | (1,616,407) | (3,564,308) |
| <b>Total</b>   | <b>0</b>    | <b>0</b>    |

The difference between the value above of £1,616,407 for the write down of the value of shares purchased in CODA and the value of £479,729 in note 9 is £1,136,678. This relates to CODA fixed asset additions purchased in 2024/25 of which £1,136,678 were disposed for nil consideration to CODA and which is reflected in the disposal of fixed assets figure of £1,799,538 within the Capital Adjustment Account.

### b Short Term Investments

|                              | 2024/25          | 2023/24          |
|------------------------------|------------------|------------------|
|                              | £                | £                |
| Investments – Other Deposits | 9,000,000        | 8,000,000        |
| <b>Total</b>                 | <b>9,000,000</b> | <b>8,000,000</b> |

|  | 2024/25          | 2023/24          |
|--|------------------|------------------|
|  | £                | £                |
| <b>Total Long and Short Term Investments</b> | <b>9,000,000</b> | <b>8,000,000</b> |

As at 31 March 2025, Council had £9m on deposit to three other Local Authorities. One deposit was for £5m at an interest rate of 5% for a period of 5 months maturing in April 2025, one was for £1m at an interest rate of 5.3% for a period of 3.5 months maturing in May 2025 and the other was for £3m at an interest rate of 5.7% for a period of 6 months maturing in September 2025. These amounts are included within Cash and Cash Equivalents.

## 17 Borrowing

### a Short Term Borrowing

|                                 | 2024/25          | 2023/24          |
|---------------------------------|------------------|------------------|
|                                 | £                | £                |
| Loans Repayable Within One Year | 3,171,305        | 3,574,351        |
| Lease Principal                 | 201,012          | 4,307            |
| <b>Total</b>                    | <b>3,372,317</b> | <b>3,578,658</b> |

### b Long Term Borrowing

|                        | 2024/25           | 2023/24           |
|------------------------|-------------------|-------------------|
|                        | £                 | £                 |
| Between 1 and 2 years  | 2,325,524         | 2,534,058         |
| Between 2 and 5 years  | 6,631,577         | 6,310,025         |
| Between 5 and 10 years | 10,201,863        | 9,929,397         |
| In more than 10 years  | 11,218,886        | 12,265,257        |
| <b>Total</b>           | <b>30,377,850</b> | <b>31,038,737</b> |

|                        | 2024/25           | 2023/24           |
|------------------------|-------------------|-------------------|
|                        | £                 | £                 |
| <b>Total Borrowing</b> | <b>33,750,167</b> | <b>34,617,395</b> |

Included within short term borrowing is a loan of £641,345 from Department for Communities in respect of a land purchase associated with the City Deal Strabane Town Centre Regeneration project. An amendment to the original agreement was made in March 2025 and the loan must now be repaid on the earlier of (a) the date two months after the date any contract for grant funding for the Strabane Canal Basin Public Realm works is signed by the Department and the Council or (b) 31 March 2026 and is interest-free within this time period.

Also included above is £201,012 within short-term borrowing and £1,952,769 within long-term borrowing representing lease liabilities. Following implementation of IFRS 16 – Leases – in 2024/25 the impact on total borrowing has been £2,070,081 due to the recognition of additional lease liabilities.

All remaining borrowing is from Central Government via the Public Works Loans Board with interest rates ranging from 1.51% to 16.25%.

## 18 Creditors

### a Short-Term Creditors

|                               | 2024/25           | 2023/24           |
|-------------------------------|-------------------|-------------------|
|                               | £                 | £                 |
| Government Departments        | 2,177,392         | 1,517,227         |
| Other Councils                | 1,360,061         | 1,343,391         |
| Remuneration due to Employees | 191,301           | 105,257           |
| Accumulated Absences          | 1,197,426         | 1,126,866         |
| Loan Interest Payable         | 250,022           | 258,004           |
| Capital Creditors             | 2,629,514         | 1,875,450         |
| Receipts in Advance           | 1,353,825         | 2,009,457         |
| Trade Creditors               | 4,455,832         | 4,215,542         |
| Other                         | 143,227           | 192,932           |
| Accruals                      | 1,949,887         | 2,611,173         |
| <b>Total</b>                  | <b>15,708,487</b> | <b>15,255,299</b> |

### b Payment of Invoices

The council has a target, where no other terms are agreed, of paying supplier invoices within 30 calendar days. During the year the Council paid 22,346 invoices totalling £96,980,726 (2023/24: 21,976 invoices totalling £92,838,899).

The Council paid:

8,733 invoices (39.08%) within 10 working days (2023/24: 8,390 invoices (38.18%));  
18,476 invoices (82.68%) within 30 calendar days (2023/24: 18,079 invoices (82.27%)); and  
3,870 invoices (17.32%) outside 30 days (2023/24: 3,897 invoices (17.73%)).

The average number of days taken to pay suppliers during the year was 19.31 days.

## 19 Provisions

|                      | Balance as at<br>1 April 2024 | (Decrease) /<br>increase in<br>provision<br>during year | Utilised in<br>year | Unused<br>amounts<br>reversed | Interest cost<br>and / or<br>discount rate<br>changes | Balance as at<br>31 March<br>2025 |
|----------------------|-------------------------------|---|---------------------|-------------------------------|---|-----------------------------------|
|                      | £                             | £   | £                   | £                             | £   | £                                 |
| Landfill Provision   | 1,109,556                     | (29,626)  | (68,428)            | -                             | -   | 1,011,502                         |
| Claims Management    | 1,634,980                     | 708,085   | (116,139)           | -                             | -   | 2,226,926                         |
| Reorganisation       | 105,522                       | 90,558  | (75,639)            | -                             | -   | 120,441                           |
| <b>Total</b>         | <b>2,850,058</b>              | <b>769,017</b>  | <b>(260,206)</b>    | <b>-</b>                      | <b>-</b>  | <b>3,358,869</b>                  |
| Current Provisions   | 170,236                       | 156,368   | (144,067)           | -                             | -   | 182,537                           |
| Long Term Provisions | 2,679,822                     | 612,649   | (116,139)           | -                             | -   | 3,176,332                         |
| <b>Total</b>         | <b>2,850,058</b>              | <b>769,017</b>  | <b>(260,206)</b>    | <b>-</b>                      | <b>-</b>  | <b>3,358,869</b>                  |

### Comparative Year

|                      | Balance as at<br>1 April 2023 | (Decrease) /<br>increase in<br>provision<br>during year | Utilised in<br>year | Unused<br>amounts<br>reversed | Interest cost<br>and / or<br>discount rate<br>changes | Balance as at<br>31 March<br>2024 |
|----------------------|-------------------------------|---|---------------------|-------------------------------|---|-----------------------------------|
|                      | £                             | £   | £                   | £                             | £   | £                                 |
| Landfill Provision   | 1,128,321                     | (4,986)   | (13,779)            | -                             | -   | 1,109,556                         |
| Claims Management    | 1,709,276                     | 75,101  | (149,397)           | -                             | -   | 1,634,980                         |
| Reorganisation       | 1,898,060                     | 581,861   | (2,374,399)         | -                             | -   | 105,522                           |
| <b>Total</b>         | <b>4,735,657</b>              | <b>651,976</b>  | <b>(2,537,575)</b>  | <b>-</b>                      | <b>-</b>  | <b>2,850,058</b>                  |
| Current Provisions   | 1,967,529                     | 590,885   | (2,388,178)         | -                             | -   | 170,236                           |
| Long Term Provisions | 2,768,128                     | 61,091  | (149,397)           | -                             | -   | 2,679,822                         |
| <b>Total</b>         | <b>4,735,657</b>              | <b>651,976</b>  | <b>(2,537,575)</b>  | <b>-</b>                      | <b>-</b>  | <b>2,850,058</b>                  |

### Landfill Provision

The restoration of Culmore Landfill Site is complete and it is estimated that the remainder of the aftercare costs for 45 years will be £1,011,502. The Council has applied the Arlingclose recommended discount rates to the Landfill Provision which are based on PWLB borrowing rates adjusted for inflation.

### Claims Management

This provision relates to the estimated costs to the Council under its self-insurance policy of unsettled Public & Employer Liability claims as at 31 March 2025.

### Reorganisation

During the year several previously provided for severance and harmonisation payments were made and two further severance packages were agreed. Provision is retained for outstanding payments in this regard as well as other known pay settlements.

## 20 Financial Instruments

### Categories of Financial Instruments

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

### Financial Assets – Amortised Cost

|   | 2024/25           | 2023/24           |
|---|-------------------|-------------------|
|   | £                 | £                 |
| <b>Non-Current</b>                      |                   |                   |
| Debtors (Employee Car Loans)            | 29,520            | 41,816            |
| <b>Current</b>                          |                   |                   |
| Investments (Cash and Cash Equivalents) | 35,971,978        | 19,442,567        |
| Debtors (Employee Car Loans)            | 19,388            | 29,170            |
| <b>Total</b>                            | <b>36,020,886</b> | <b>19,513,553</b> |



**Financial Liabilities– Amortised Cost**

|                                   | 2024/25           | 2023/24           |
|-----------------------------------|-------------------|-------------------|
|                                   | £                 | £                 |
| <b>Non-Current</b>                |                   |                   |
| Borrowings                        | 30,377,850        | 31,038,737        |
| <b>Current</b>                    |                   |                   |
| Borrowings                        | 3,372,317         | 3,578,658         |
| Creditors (Loan Interest Payable) | 250,022           | 258,004           |
| <b>Total</b>                      | <b>34,000,189</b> | <b>34,875,399</b> |

**Loans made by Council - Employee Car Loans**

During the year the Council had loans to 15 employees who are in posts that require them to drive regularly on Council business.

Interest is charged on the car loans at the Bank of England base rate (as at date of loan advance) +1.75% per annum on the amount of the loan.

|  | 2024/25       | 2023/24        |
|--|---------------|----------------|
|  | £             | £              |
| Opening Balance                            | 70,986        | 52,061         |
| Nominal Value of New Loans Granted in Year | 10,000        | 58,400         |
| <b>Subtotal</b>                            | <b>80,986</b> | <b>110,461</b> |
| Loans Repaid                               | (32,078)      | (39,475)       |
| <b>Closing Balance at End of Year</b>      | <b>48,908</b> | <b>70,986</b>  |
| <b>Nominal Value at End of Year</b>        | <b>48,908</b> | <b>70,986</b>  |

The Council has no material exposure to any of the risk types identified below in its dealing 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 experiences and other factors with individual credit limits being set in accordance with internal ratings and 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  | 672,727          |
| Three to six months   | 151,557          |
| Six months to one year  | 97,258           |
| More than one year  | 354,310          |
| <b>Total</b>  | <b>1,275,852</b> |

This includes government, other Councils and gas income debtors which are disclosed separately from trade receivables within their respective categories in note 15B.

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.

During 2024/25 the Council made loans to other UK Local Authorities through the Ideal Trade Platform owned and operated by Arlingclose Ltd and who are authorised and regulated by the Financial Conduct Authority.

Inter local authority lending has the significant advantage of loans being secured on the cash flows of the local authority. In the very unlikely event of default, which Council has assessed as low, a petition to the High Court would be made on the rates/council tax of the authority. Local authorities can borrow for capital expenditure so will always be able to refinance their borrowing with the PWLB.

**Liquidity Risk**

As the Council has ready access to borrowings from the Department of Finance's Consolidated Fund, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The maturity analysis of financial liabilities is included in notes 17 to 19. All trade and other payables are due for payment within one year.

**Interest Rate Risk**

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



## Foreign Exchange Risk

The Council has a bank account denominated in euro. Exchange rates are monitored to minimise foreign exchange loss.

## Other Balance Sheet Disclosures

### City of Derry Airport (Operations) Ltd (CODA)

Derry City and Strabane District Council owns 100% of the shares in CODA. These shares are deemed to have no market value due to the current trading conditions at the Airport.

|   | 2024/25     | 2023/24     |
|---|-------------|-------------|
|   | £           | £           |
| Shares Purchased in CODA                        | 1,616,407   | 3,564,308   |
| Write Down of Value of Shares Purchased in CODA | (1,616,407) | (3,564,308) |

## Income, Expense, Gains and Losses

|   | 2024/25   |  | 2023/24   |  |
|---|---|--|---|--|
|   | Surplus or Deficit on the Provision of Services | Other Comprehensive Income and Expenditure | Surplus or Deficit on the Provision of Services | Other Comprehensive Income and Expenditure |
|   | £   | £  | £   | £  |
| <b>Interest Revenue</b>                     |   |  |   |  |
| Financial Assets Measured at Amortised Cost | 1,217,030                                       |  | 582,179   | 0  |
| <b>Total Interest Revenue (Income)</b>      | <b>1,217,030</b>                                |  | <b>582,179</b>                                  | <b>0</b>                                   |
|   |   |  |   |  |
| <b>Interest Expense and Similar Charges</b> | <b>1,672,342</b>                                |  | <b>1,791,722</b>                                | <b>0</b>                                   |

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

Except for the shares in City of Derry Airport described above, all other financial liabilities and financial assets held by the authority are classified as loans, cash and receivables and are carried in the Balance Sheet at amortised cost. The fair values calculated are as follows:

| Financial Liabilities                      | 2024/25           |                   | 2023/24           |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | Carrying Amount   | Fair Value        | Carrying Amount   | Fair Value        |
|  | £                 | £                 | £                 | £                 |
| Loans / Borrowings: PWLB Short & Long Term | 30,955,041        | 30,716,341        | 33,888,043        | 34,748,704        |
| Loans / Borrowings: DfC Short & Long Term  | 641,345           | 641,345           | 641,345           | 641,345           |
| <b>Total</b>                               | <b>31,596,386</b> | <b>31,357,686</b> | <b>34,529,388</b> | <b>35,390,049</b> |

The fair value of borrowings is lower than the carrying amount because the Council's portfolio of loans are received from the Department of Finance at concessionary rates and some of these rates are lower at the prevailing market rates.

| Financial Assets                    | 2024/25           |                   | 2023/24           |                   |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                     | Carrying Amount   | Fair Value        | Carrying Amount   | Fair Value        |
|                                     | £                 | £                 | £                 | £                 |
| Cash & Cash Equivalents             | 35,971,978        | 35,971,978        | 19,442,567        | 19,442,567        |
| Car Loan Debtors: Long & Short Term | 48,908            | 48,908            | 70,986            | 70,986            |
| <b>Total</b>                        | <b>36,020,886</b> | <b>36,020,886</b> | <b>19,513,553</b> | <b>19,513,553</b> |

The above debtors and cash are carried at cost as this is a fair approximation of their value.

## 21 Retirement Benefits

### a Participation in the Northern Ireland Local Government Officers' Pension Fund

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Northern Ireland Local Government Officers' Pension Fund administered by the Northern Ireland Local Government Officers' Superannuation Committee. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

### b Transactions relating to retirement benefits – Comprehensive Income and Expenditure Statement Charges

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

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

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

|  | 2024/25            | 2023/24            |
|--|--------------------|--------------------|
|  | £                  | £                  |
| <b>Net cost of services:</b>   |                    |                    |
| Current service cost   | 6,734,000          | 6,636,000          |
| Past service cost / (gain)   | -                  | 831,000            |
| <b>Net operating expenditure:</b>  |                    |                    |
| Net interest on net defined benefit liability / (asset) & interest on unrecognised asset             | (80,000)           | (304,000)          |
| <b>Total post-employment benefits charged to the Surplus or deficit on the Provision of Services</b> | <b>6,654,000</b>   | <b>7,163,000</b>   |
| <b>Movement in Reserves Statement:</b>   |                    |                    |
| Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code          | <b>(6,654,000)</b> | <b>(7,163,000)</b> |
| <b>Actual amount charged against the general fund balance for pensions in the year:</b>              |                    |                    |
| Employers' contributions payable to scheme   | 6,425,000          | 6,522,000          |
| <b>Net Adjustment to General Fund</b>  | <b>(229,000)</b>   | <b>(641,000)</b>   |

The service cost figures include an allowance for administrative expenses of £166,000.

| Remeasurements recognised in Other Comprehensive Income and Expenditure                | 2024/25        | 2023/24            |
|--|----------------|--------------------|
|  | £              | £                  |
| Liability gains due to change in financial assumptions                                 | 36,679,000     | 7,370,000          |
| Liability gains due to demographic changes   | 1,559,000      | 3,184,000          |
| Liability experiences (losses) arising in the year                                     | (317,000)      | (2,809,000)        |
| Actuarial (losses) / gains on plan assets  | (895,000)      | 10,195,000         |
| Adjustment loss due to restriction of surplus  | (36,626,000)   | (22,100,000)       |
| <b>Total gains / (losses) recognised in Other Comprehensive Income and Expenditure</b> | <b>400,000</b> | <b>(4,160,000)</b> |

### c Assets and Liabilities in relation to Retirement Benefits

| Reconciliation of present value of the scheme liabilities:      | 2024/25            | 2023/24            |
|---|--------------------|--------------------|
|   | £                  | £                  |
| Balance as at 1 April   | 207,837,000        | 203,216,000        |
| Current service cost  | 6,734,000          | 6,636,000          |
| Interest cost   | 9,866,000          | 9,452,000          |
| Contributions by members  | 2,085,000          | 1,904,000          |
| Remeasurement (gains) and losses:                               |                    |                    |
| Actuarial (gains) arising from changes in financial assumptions | (36,679,000)       | (7,370,000)        |
| Actuarial losses/(gains) arising from demographic changes       | (1,559,000)        | (3,184,000)        |
| Actuarial losses arising on liabilities from experience         | 317,000            | 2,809,000          |
| Past service costs/(gains)                                      | 0                  | 831,000            |
| Estimated unfunded benefits paid                                | (132,000)          | (126,000)          |
| Estimated benefits paid   | (6,762,000)        | (6,331,000)        |
| <b>Balance as at 31 March</b>                                   | <b>181,707,000</b> | <b>207,837,000</b> |

| Reconciliation of present value of the scheme assets: | 2024/25            | 2023/24            |
|---|--------------------|--------------------|
|   | £                  | £                  |
| Balance as at 1 April                                 | 228,440,000        | 206,520,000        |
| Interest Income                                       | 11,007,000         | 9,756,000          |
| Contributions by members                              | 2,085,000          | 1,904,000          |
| Contributions by employer                             | 6,293,000          | 6,396,000          |
| Contributions in respect of unfunded benefits         | 132,000            | 126,000            |
| Remeasurement (loss)/gain                             | (895,000)          | 10,195,000         |
| Unfunded benefits paid                                | (132,000)          | (126,000)          |
| Benefits paid   | (6,762,000)        | (6,331,000)        |
| <b>Balance as at 31 March</b>                         | <b>240,168,000</b> | <b>228,440,000</b> |

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption

yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was a gain of £10,112,000 (2023/24 gain of £19,951,000).

| Fair Value of Plan Assets | 2024/25            | 2023/24            |
|---------------------------|--------------------|--------------------|
|                           | £                  | £                  |
| Equity investments        | 96,547,536         | 90,690,680         |
| Bonds                     | 45,631,920         | 44,774,240         |
| Property                  | 24,016,800         | 21,244,920         |
| Multi Asset Credit        | 32,182,512         | 29,697,200         |
| Cash                      | 27,379,152         | 28,326,560         |
| Other                     | 14,410,080         | 13,706,400         |
|                           | <b>240,168,000</b> | <b>228,440,000</b> |

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

The bid value of assets for the fund as a whole as at 31 March 2025 were provided by the Administering Authority. The amounts included in the fair value of plan assets for property occupied by the Council was £0.

#### The Council's Share of the Net Pension Asset / (Liability) (included in the Balance Sheet)

|  | 2024/25            | 2023/24            |
|--|--------------------|--------------------|
|  | £                  | £                  |
| Fair Value of Employer Assets  | 240,168,000        | 228,440,000        |
| Present value of funded defined benefit obligation                       | (180,381,000)      | (206,340,000)      |
| <b>Pension asset/(liability) of Funded Scheme</b>                        | <b>59,787,000</b>  | <b>22,100,000</b>  |
| Present Value of unfunded defined benefit obligation                     | (1,326,000)        | (1,497,000)        |
| Unrecognised asset   | (59,787,000)       | (22,100,000)       |
| <b>Net asset/(liability) arising from the defined benefit obligation</b> | <b>(1,326,000)</b> | <b>(1,497,000)</b> |
| Amount in the Balance sheet:   |                    |                    |
| Liabilities  | (1,326,000)        | (1,497,000)        |
| Assets   | -                  | -                  |
| <b>Net Asset / (Liability)</b>   | <b>(1,326,000)</b> | <b>(1,497,000)</b> |

#### d Scheme History

| Analysis of scheme assets and liabilities   | 2024/25           | 2023/24           |
|---|-------------------|-------------------|
|   | £                 | £                 |
| Fair Value of Assets in pension scheme      | 240,168,000       | 228,440,000       |
| Present Value of Defined Benefit Obligation | (181,707,000)     | (207,837,000)     |
| <b>Surplus/(deficit) in the Scheme</b>      | <b>58,461,000</b> | <b>20,603,000</b> |

| Amount recognised in other Comprehensive Income and Expenditure                | 2024/25        | 2023/24            |
|--|----------------|--------------------|
|  | £              | £                  |
| Actuarial gains  | 1,295,000      | (14,355,000)       |
| Expected Return on Plan Assets   | (895,000)      | 10,195,000         |
| <b>Remeasurements recognised in Other Comprehensive Income and Expenditure</b> | <b>400,000</b> | <b>(4,160,000)</b> |
| Cumulative actuarial gains and losses  | 73,688,000     | 73,288,000         |
| <b>History of experience gains and losses:</b>                                 |                |                    |
| Experience (losses) and gains on assets  | (895,000)      | 10,195,000         |
| Experience gains on liabilities  | 1,295,000      | (14,355,000)       |

The authority has a net pension liability of £1,326,000 at the accounting date as recorded in the Balance Sheet.

#### Net Pension Liability 31 March 2024

At 31 March 2024 the Local Government Pension Scheme funded benefits IAS 19 balance sheet was showing a net pension asset before consideration of a surplus restriction. The surplus was restricted by £22.1m.

The Local Government Pension Scheme unfunded benefits had an asset liability of £1.497m at 31 March 2024. This is the amount shown on the balance sheet for 2024.

#### Net Pension Liability 31 March 2025

The Local Government Pension Scheme funded benefits IAS 19 balance sheet shows a net pensions asset before consideration of a surplus restriction under paragraph 64 of IAS 19. Paragraph 64 states that "when an entity has a surplus in a defined benefit plan, it shall measure the net defined benefit asset at the lower of a) the surplus in the defined benefit plan and b) the asset ceiling determined using the discount rate."

The asset ceiling is "the present value of any future economic benefits available in the form of refunds from the plan or restrictions in future contributions to the plan."

Additional calculations of the potential surplus have been undertaken regarding the potential surplus that could be recognised 'through reduced contributions in the future.' Consideration has not been given to whether a surplus could be recognised through future refunds, however it should be noted that refunds to employers are only possible when the employer exits the Fund and will depend on the exit terms in force at that date which may be specific to the Employer.

An asset ceiling of £nil has been applied being the maximum economic benefit the Employer could recognise on the balance sheet.

The Local Government Pension Scheme unfunded benefits has an asset liability of £1.326m at 31 March 2025. This is the amount shown on the balance sheet.

### Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2026

|   | 31/03/2026       | 31/03/2025       |
|---|------------------|------------------|
|   | £                | £                |
| Projected current cost                                    | 4,705,000        | 6,347,000        |
| Net Interest on the net defined benefit (asset) liability | (117,000)        | (74,000)         |
|   | <b>4,588,000</b> | <b>6,273,000</b> |

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the council in the year to 31 March 2026 is £6,545,000.

### History of experience gains and losses

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

|  | 2024/25 | 2023/24 |
|--|---------|---------|
|  | %       | %       |
| Experience gains and (losses) on Assets      | -0.37%  | 4.46%   |
| Experience gains and (losses) on Liabilities | -20.87% | -3.73%  |

### e Basis for estimating assets and liabilities

Assets/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 assets have been assessed by Aon Hewitt Limited, an independent firm of actuaries, with estimates for the Council Fund being based on data pertaining to the latest full valuation of the scheme as at 31 March 2022.

| Pension Scheme Assumptions   | 2024/25 | 2023/24 |
|--|---------|---------|
|  | %       | %       |
| Equity investments   | 40.2%   | 39.7%   |
| Bonds  | 19.0%   | 19.6%   |
| Property   | 10.0%   | 9.3%    |
| Multi Asset Credit   | 13.4%   | 13.0%   |
| Cash   | 11.4%   | 12.4%   |
| Other  | 6.0%    | 6.0%    |
| <b>Mortality assumptions:</b>  |         |         |
| <i>Longevity at 65 current pensioners:</i>                                   | Years   | Years   |
| Men  | 21.6    | 21.7    |
| Women  | 24.5    | 24.6    |
| <i>Longevity at 65 for future pensioners:</i>                                |         |         |
| Men  | 22.2    | 22.7    |
| Women  | 25.2    | 25.6    |
| Inflation/Pension Increase Rate  | 2.5%    | 2.6%    |
| Salary Increase Rate   | 4.0%    | 4.1%    |
| Discount Rate  | 5.8%    | 4.8%    |
| Pension accounts revaluation rate  | 2.5%    | 2.6%    |
| <b>Take-up of option to convert annual pension into retirement lump sum:</b> |         |         |
| Service to April 2009  | 80%     | 80%     |
| Service post April 2009  | 80%     | 80%     |

### Pension Assumptions Sensitivity Analysis

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

The approximate impact of changing key assumptions on the present value of the funded defined benefit obligation as at 31 March 2025 is set out below.

In each case, only the assumption noted below is altered; all other assumptions remain the same and are summarised in the disclosure 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 (£M)                               | 177.495    | 183.267    |
| % change in the present value of the total obligation                    | -1.6%      | 1.6%       |
| Projected service cost (£M)  | 4.507      | 4.907      |
| Approximate % change in projected service cost                           | -4.2%      | 4.3%       |
|  |            |            |
| 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 (£M)                               | 180.922    | 179.840    |
| % change in the present value of the total obligation                    | 0.3%       | -0.3%      |
| Projected service cost (£M)  | 4.705      | 4.705      |
| Approximate % change in projected service cost                           | 0.0%       | 0.0%       |
|  |            |            |
| Rate of Increase to Pensions and Rate of Revaluation of Pension Accounts |            |            |
| Adjustment to pension increase rate                                      | +0.1% p.a. | -0.1% p.a. |
| Present value of the total obligation (£M)                               | 182.726    | 178.036    |
| % change in the present value of the total obligation                    | 1.3%       | -1.3%      |
| Projected service cost (£M)  | 4.907      | 4.507      |
| Approximate % change in projected service cost                           | 4.3%       | 4.2%       |
|  |            |            |
| Post Retirement Mortality Assumption                                     |            |            |
| Adjustment to mortality age rating assumption*                           | -1 year    | +1 year    |
| Present value of the total obligation (£M)                               | 184.530    | 176.232    |
| % change in the present value of the total obligation                    | 2.3%       | -2.3%      |
| Projected service cost (£M)  | 4.865      | 4.540      |
| Approximate % change in projected service cost                           | 3.4%       | -3.5%      |

\* 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 them.

#### f Major Categories of Plan Assets as Percentage of Total Plan Assets

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

|                    | 2024/25        | 2023/24        |
|--------------------|----------------|----------------|
|                    | %              | %              |
| Equity investments | 40.20%         | 39.70%         |
| Government Bonds   | 15.40%         | 15.00%         |
| Corporate Bonds    | 3.60%          | 4.60%          |
| Multi Asset Credit | 13.40%         | 13.00%         |
| Property           | 10.00%         | 9.30%          |
| Cash               | 11.40%         | 12.40%         |
| Other              | 6.00%          | 6.00%          |
| <b>Total</b>       | <b>100.00%</b> | <b>100.00%</b> |

#### g Northern Ireland Civil Service Pension Arrangements

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Department of Communities was unable to identify its share of the underlying assets and liabilities transferred to Council at 01 April 2015. The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2020 scheme valuation was completed by GAD in October 2023. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2024 to 31 March 2027.

For 2024/25, employers' contributions of £346,837 (2023/24 £315,908) were payable to the NICS pension arrangements at a standard rate of 34.25% of pensionable pay.

#### h Virgin Media Judgement

In June 2023, the High Court handed down a decision (Virgin Media Limited v NTL Pension Trustees II Limited and others) which potentially has implications for the validity of amendments made by pension schemes, including the LGPS (NI), which were contracted out on a salary related basis between 6 April 1997 and the abolition of contracting-out in 2016. There currently remains uncertainty as it has not yet been confirmed whether the case will be subject to further appeal or whether the position will be impacted by the Department for Work and Pensions bringing forward changes in legislation, as well as any possible impact on the LGPS (NI). Given the uncertainty, Aon Hewitt have not made any

allowance for the possible impact of the ruling as it is currently unclear whether any additional liabilities may arise, and if they were to arise, how they would be reliably measured.

## i Goodwin Ruling

In June 2020 an Employment Tribunal ruled, in relation to the Teachers' Pension Scheme, that provisions for survivor's benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership and that treatment amounts to direct discrimination on grounds of sexual orientation. The chief secretary to the Treasury announced in a written ministerial statement on 20 July 2020 that he believed changes would be required to other public service pension schemes with similar arrangements. Changes to NI regulations were made on 24 March 2022 and came into effect on 18 April 2022. NILGOSC have informed Aon Hewitt they have reviewed the potential impacted membership and have advised that at a fund level the impact will be immaterial. As a result, no allowance for the ruling has been made on within the pension calculations on the basis of materiality.

## j Guaranteed Minimum Pension (GMP)

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

## 22 Donated Assets Account

|   | 2024/25  | 2023/24   |
|---|----------|-----------|
|   | £        | £         |
| Opening balance   | 0        | 0         |
| Add: new donated assets received (condition of use not met)   | 9,200    | 281,000   |
| Less: amounts released to the District Fund - Comprehensive Income and Expenditure Account (conditions met) | (9,200)  | (281,000) |
| <b>At 31 March</b>  | <b>0</b> | <b>0</b>  |

Analysis of Donated Assets

The following assets were donated during the year:

|  | 2024/25      | 2023/24        |
|--|--------------|----------------|
|  | £            | £              |
| Creevagh Heights, Bligh's Lane Play Area | 0            | 281,000        |
| Land at Glenmoran*                       | 1,200        |                |
| Land at Patrician Villas*                | 4,500        |                |
| Land at Newbuildings*                    | 3,500        |                |
| <b>Total for Year</b>                    | <b>9,200</b> | <b>281,000</b> |

\*Recognised upon implementation of IFRS 16

## 23 Contingencies

In accordance with the Code (and IAS 37), Councils should disclose by way of note if there is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the authority, or a present obligation that arises from past events but is not recognised because:

- a) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or
- b) the amount of the obligation cannot be measured with sufficient reliability.

### Contingent Liabilities

#### Creggan Reservoir

Council owns lands within which Creggan Reservoir is located which are leased to a third party Reservoir Manager. Discussions are currently ongoing with stakeholders and Government in relation to new leasing arrangements and funding of required remedial works at the reservoir. Council has incurred expenditure of £129,243 to date on surveys and remedial works associated with the reservoir and, as noted in note 25d, Council has funds of £911,454 earmarked within its renewal and repairs fund in this regard.

## 24 Other Cash Flow Disclosures

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

| Adjustment to surplus or deficit on the provision of services for noncash movements |        | 2024/25           | 2023/24          |
|---|--------|-------------------|------------------|
|   | Notes  | £                 | £                |
| Depreciation  | 11     | 9,839,678         | 9,115,443        |
| Impairment & downward revaluations (& non-sale derecognitions)                      | 11     | (46,449)          | (98,146)         |
| (Increase)/Decrease in inventories  |        | (72,891)          | 45,351           |
| (Increase)/Decrease in Debtors  |        | 3,854,645         | (2,934,438)      |
| Increase/(decrease) in impairment provision for bad debts                           |        | 128,514           | 101,807          |
| Increase/(Decrease) in Creditors  |        | (292,894)         | (2,371,952)      |
| Increase/(Decrease) in Interest Creditors   |        | (7,982)           | (15,825)         |
| Payments to NILGOSC   | 21     | 229,000           | 641,000          |
| Carrying amount of non-current assets sold  | 8      | 1,799,538         | 273,322          |
| Contributions to Other Reserves/Provisions  |        | 508,811           | (1,885,599)      |
| Amounts posted to CIES from Donated Assets Account                                  | 10, 22 | (9,200)           | (281,000)        |
|   |        | <b>15,930,770</b> | <b>2,589,963</b> |

| Adjustment to items included in the net surplus or deficit on the provision of services that are investing and financing activities |       | 2024/25            | 2023/24            |
|---|-------|--------------------|--------------------|
|   | Notes | £                  | £                  |
| Proceeds from the sale of PP&E, investment property and intangible assets   | 8     | (601,700)          | (7,350)            |
| Capital grants included in "Taxation & non-specific grant income"   | 10    | (5,136,463)        | (4,298,914)        |
|   |       | <b>(5,738,163)</b> | <b>(4,306,264)</b> |

### b Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in bank and short term deposits and investments (considered to be cash equivalents), net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the Balance Sheet as follows

|  | 2024/25           | 2023/24           | 2022/23           |
|--|-------------------|-------------------|-------------------|
|  | £                 | £                 | £                 |
| Cash and Bank balances                                     | 5,299             | 966,872           | 7,178,143         |
| Short Term Deposits (considered to be Cash Equivalents)    | 26,966,679        | 10,475,695        | 8,330,504         |
| Short Term Investments (considered to be Cash Equivalents) | 9,000,000         | 8,000,000         | 10,000,000        |
|  | <b>35,971,978</b> | <b>19,442,567</b> | <b>25,508,647</b> |

### c Cash Flow Statement: Operating Activities

|   | Notes | 2024/25     | 2023/24     |
|---|-------|-------------|-------------|
|   |       | £           | £           |
| The cash flows from operating activities include: |       |             |             |
| Interest Received                                 | 9     | 1,217,030   | 582,179     |
| Interest Paid                                     | 9     | (1,672,342) | (1,791,722) |

### d Cash Flows from Investing Activities

|   | Notes | 2024/25          | 2023/24            |
|---|-------|------------------|--------------------|
|   |       | £                | £                  |
| Purchase of PP&E, investment property and intangible assets               |       | 11,884,217       | (10,085,688)       |
| Proceeds from the sale of PP&E, investment property and intangible assets | 9     | (601,700)        | 7,350              |
| Capital Grants and Contributions Received                                 |       | (11,707,133)     | 6,203,141          |
| <b>Net Cash flows from Investing Activities</b>                           |       | <b>(424,616)</b> | <b>(3,875,197)</b> |

### e Cash Flows from Financing Activities

|  | Notes | 2024/25            | 2023/24            |
|--|-------|--------------------|--------------------|
|  |       | £                  | £                  |
| Cash Receipts from Short and Long Term Borrowing |       | 0                  | 641,345            |
| Repayment of Leases Liabilities                  |       | (252,669)          | (4,532)            |
| Repayment of Short and Long Term Borrowing       |       | (2,933,003)        | (3,097,622)        |
| <b>Net Cash flows from Financing Activities</b>  |       | <b>(3,185,672)</b> | <b>(2,460,804)</b> |



## 25 Usable Reserves

### a Capital Receipts Reserve

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

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

| Capital Receipts Reserve                             | Notes    | 31/03/2025 | 31/03/2024 |
|--|----------|------------|------------|
|  |          | £          | £          |
| At 1 April   |          | 861,450    | 913,362    |
| Movement   |          |            |            |
| Capital receipts received in year                    | 4, 8, 24 | 601,700    | 7,350      |
| Capital Receipts used to finance capital expenditure | 12       | (214,589)  | (59,262)   |
| At 31 March  |          | 1,248,561  | 861,450    |

### b Capital Grants Unapplied Account

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

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

| Capital Grants Unapplied account                    | Notes | 31/03/2025  | 31/03/2024   |
|---|-------|-------------|--------------|
|   |       | £           | £            |
| At 1 April  |       | 26,627,255  | 29,200,525   |
| Movement  |       |             |              |
| Unapplied Capital Grants received in year           | 10c   | 3,318,501   | 9,513,215    |
| Unapplied Capital Grants transferred to CAA in year | 26a   | (9,282,172) | (12,086,485) |
| At 31 March   |       | 20,663,584  | 26,627,255   |

### c Capital Fund

This fund was established under section 56 of the Local Government Act (NI) 1972, however this section of the act was repealed under the Local Government Finance Act (Northern Ireland) 2011. Councils should disclose details where any of these reserves are earmarked for specific purposes.

| Capital Fund  | Notes   | 31/03/2025  | 31/03/2024 |
|---|---------|-------------|------------|
|   |         | £           | £          |
| At 1 April  |         | 10,140,333  | 7,586,503  |
| Transfer to General Fund  | 4b      | (1,051,843) | (348,742)  |
| Transfer from General Fund  | 4b      | 9,534,935   | 3,774,599  |
| Transfer to Other Usable Reserves – Repairs and Renewals            | 25d     | 0           | (440,144)  |
| Transfers between Capital Fund & CAA to finance Capital Expenditure | 12, 26a | (738,808)   | (431,883)  |
| At 31 March   |         | 17,884,617  | 10,140,333 |



|                                | £                 |
|--------------------------------|-------------------|
| City Deal                      | 1,652,645         |
| Community Projects Fund        | 4,069,083         |
| Strategic Leisure              | 5,005,598         |
| Culmore Landfill               | 919,119           |
| Acorn Farm                     | 130,000           |
| Leisure Works                  | 628,204           |
| Strabane Public Realm          | 752,684           |
| Energy Saving Initiatives      | 262,632           |
| Play, Parks and Greenways      | 1,228,096         |
| Cemetery Provision             | 2,181,451         |
| Culture and Tourism Works      | 141,596           |
| Recycling Facilities           | 255,615           |
| Other Commitments and Balances | 657,894           |
| <b>Total</b>                   | <b>17,884,617</b> |

#### d Renewal and Repairs Fund

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

| Renewal and Repairs Fund   | Notes    | 31/03/2025       | 31/03/2024       |
|--|----------|------------------|------------------|
|  |          | £                | £                |
| At 1 April   |          | 5,068,037        | 5,289,378        |
| Transfers from General Fund  | 4b       | 1,352,500        | 684,530          |
| Transfers to General Fund  | 4b       | (391,647)        | (1,146,903)      |
| Transfers to Other Reserves – Capital Fund, Other                            | 25c, 25e | 0                | 504,621          |
| Transfers between Renewal & Repair Fund & CAA to finance Capital Expenditure | 12, 26a  | (131,858)        | (263,589)        |
| <b>At 31 March</b>   |          | <b>5,897,032</b> | <b>5,068,037</b> |

|   | £                |
|---|------------------|
| Car Park Maintenance  | 408,844          |
| ICT Hardware and Software                                   | 365,803          |
| Creggan Reservoir   | 911,454          |
| Health and Community Commitments including Leisure Projects | 2,125,466        |
| Cemetery Provision  | 68,123           |
| Play, Parks and Greenways                                   | 213,670          |
| Flooding Repair Works                                       | 268,860          |
| Museum / Civic Art Collection                               | 200,449          |
| Other Commitments   | 1,334,363        |
| <b>Total</b>  | <b>5,897,032</b> |

#### e Other Balances & Reserves

| Other Balances & Reserves                          | Notes | 31/03/2025       | 31/03/2024       |
|--|-------|------------------|------------------|
|  |       | £                | £                |
| At 1 April   |       | 1,087,563        | 1,345,052        |
| Transfers from General Fund                        | 4b    | 342,500          | 295,084          |
| Transfers to General Fund                          | 4b    | (417,401)        | (488,096)        |
| Transfers to Other Reserves – Repairs and Renewals | 25d   | 0                | (64,477)         |
| <b>At 31 March</b>                                 |       | <b>1,012,662</b> | <b>1,087,563</b> |

This reserve is for the purpose of economic development.

## f General Fund

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

| General Fund   | Notes  | 31/03/2025       | 31/03/2024       |
|--|--------|------------------|------------------|
|  |        | £                | £                |
| At 1 April   |        | 6,627,543        | 6,266,769        |
| Applied Capital Grants   | 10, 12 | (1,827,162)      | 4,933,301        |
| Unapplied Capital Grants received in year  | 10     | (3,318,501)      | (9,513,215)      |
| Direct Revenue Financing   | 4, 12  | (2,165,035)      | (3,167,934)      |
| Depreciation and Impairment adjustment   | 4      | 9,793,229        | 9,017,297        |
| Statutory Provision for financing Capital Investment   | 4, 12  | (3,770,777)      | (4,068,169)      |
| Net Revenue expenditure funded from capital under statute  | 4, 12  | 1,527,098        | 4,499,584        |
| REFCUS - Government Grants and Other Contributions   | 4, 12  | (813,853)        | (4,346,458)      |
| REFCUS - Direct Financing  | 4, 12  | (713,245)        | (153,126)        |
| Surplus/(Deficit) on the Provision of Services   | CIES   | 9,097,860        | 1,986,222        |
| Transfers between Statutory and Other Reserves and the General Fund  | 4      | (9,162,175)      | 82,764           |
| Net movements on Pension Reserve   | 4, 21  | 229,000          | 641,000          |
| Disposal of Fixed Assets/Capital Sales   | 4, 11  | 1,197,838        | 265,972          |
| Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements | 4, 26d | 70,560           | 183,536          |
| <b>At 31 March</b>   |        | <b>6,772,380</b> | <b>6,627,543</b> |

## g Financial Commitments and Contingency Reserve

This reserve was created in 2020-21 from a combination of advanced funding from Central Government and Council contingency funding set aside. The purpose of the fund is to help mitigate the impact on the Council of future significant challenges and risks and uncertainties including staff pay awards, central government grant cuts, inflation and cost uncertainties as well as risks to Council's rates income associated with non-domestic revaluations and rating debt.

| Other Usable Reserves       | Notes | 31/03/2025       | 31/03/2024       |
|-----------------------------|-------|------------------|------------------|
|                             |       | £                | £                |
| At 1 April                  |       | 6,931,299        | 9,784,535        |
| Transfers from General Fund | 4b    | 735,271          | 410,000          |
| Transfers to General Fund   | 4b    | (942,140)        | (3,263,236)      |
| <b>At 31 March</b>          |       | <b>6,724,430</b> | <b>6,931,299</b> |

|   |                  |
|---|------------------|
|   | £                |
| Financial Contingency Fund (including rates appeals and bad debt provision (£1.9m)) | 4,694,290        |
| City of Derry Airport   | 823,092          |
| Single Status and Other Pay   | 437,364          |
| Other (including Local Development Plan and brown bin purchase / distribution)      | 769,684          |
| <b>Total</b>  | <b>6,724,430</b> |

## 26 Unusable Reserves

### a Capital Adjustment Account

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

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

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

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

| Capital Adjustment Account  | Notes  | 31/03/2025        | 31/03/2024        |
|---|--------|-------------------|-------------------|
|   |        | £                 | £                 |
| At 1 April  |        | 88,803,544        | 79,219,040        |
| Applied Capital Grants/ donated assets  | 10, 12 | 1,827,162         | (4,933,301)       |
| Unapplied Capital Grants transferred to CAA in year   | 25b    | 9,282,172         | 12,086,485        |
| Direct Revenue Financing  | 4, 12  | 2,165,035         | 3,167,934         |
| Depreciation & Impairment adjustment  | 11     | (9,793,229)       | (9,017,297)       |
| Statutory Provision for financing Capital Investment  | 4, 12  | 3,770,777         | 4,068,169         |
| Net Revenue expenditure funded from Capital under statute   | 4, 12  | (1,527,098)       | (4,499,584)       |
| REFCUS - Government Grants and Other Contributions  | 4, 12  | 813,853           | 4,346,458         |
| REFCUS - Direct Financing   | 4, 12  | 713,245           | 153,126           |
| Disposal of Fixed Assets/ Capital Sales   | 4, 11  | (1,799,538)       | (273,322)         |
| Capital Receipts used to finance capital expenditure  | 4, 12  | 214,589           | 59,262            |
| Other Movements   | 26b    | 3,888,710         | 3,731,102         |
| Transfers between Capital Receipts / Capital Fund /<br>Renewal & Repair Fund & CAA to finance capital expenditure | 12     | 870,666           | 695,472           |
| <b>At 31 March</b>  |        | <b>99,229,888</b> | <b>88,803,544</b> |

## b Revaluation Reserve

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

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

The reserve contains only revaluation gains accumulated since 1 April 2008, the date the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment 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 are mirrored in Other Comprehensive Income and Expenditure. It is a fundamental principle of this account that it never becomes negative. If an asset was held at current value when derecognised, the balance held on the Revaluation Reserve is written off to the Capital Adjustment Account.

| Revaluation Reserve      | Notes | 31/03/2025         | 31/03/2024         |
|--------------------------|-------|--------------------|--------------------|
|                          |       | £                  | £                  |
| At 1 April               |       | 100,899,220        | 95,182,283         |
| Revaluation & Impairment | 11    | 3,026,263          | 9,448,039          |
| Other Movements          | 26a   | (3,888,710)        | (3,731,102)        |
| <b>At 31 March</b>       |       | <b>100,036,773</b> | <b>100,899,220</b> |

## c Pension Reserve

| Pension Reserve                  | Notes | 31/03/2025         | 31/03/2024         |
|----------------------------------|-------|--------------------|--------------------|
|                                  |       | £                  | £                  |
| At 1 April                       |       | (1,497,000)        | 3,304,000          |
| Net Movements on Pension Reserve | 4, 21 | (229,000)          | (641,000)          |
| Revaluation & Impairment         | 21    | 400,000            | (4,160,000)        |
| <b>At 31 March</b>               |       | <b>(1,326,000)</b> | <b>(1,497,000)</b> |

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

However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. As disclosed in note 21, the net defined benefit asset has been measured at the lower of a) the surplus in the defined benefit plan and b) the asset ceiling. The asset ceiling has been set at nil and so no asset has been recognised.

The debit balance above related to the unfunded LGPS benefit meaning that there is a shortfall in the benefits earned by past and current members and the resources Council has set aside to meet them.

#### **d Accumulated Absences Account**

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

| <b>Accumulated Absences Account</b>  | <b>Notes</b> | <b>31/03/2025</b>  | <b>31/03/2024</b>  |
|--|--------------|--------------------|--------------------|
|  |              | £                  | £                  |
| At 1 April   |              | (1,126,866)        | (943,330)          |
| Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements |              | (70,560)           | (183,536)          |
| <b>At 31 March</b>   |              | <b>(1,197,426)</b> | <b>(1,126,866)</b> |

#### **27 Significant Trading Operations**

The Council considers its only significant trading operation to be the provision of car parking facilities. The results for this are disclosed in Note 2 under the heading 'Business and Culture,' namely income of £1,552,205 (2023/24: £1,678,128) and costs of £663,629 (2023/24: £985,649).

#### **28 Agency Services**

##### **BIDS Company**

The Council acts as an agent collecting the income for Strabane Business Improvement District Limited (called the BIDS company).

The BIDS company was set up as part of a new UK wide initiative to help regenerate town centres following a poll held amongst the businesses in the Strabane town centre which resulted in a majority vote. As a result the BIDS company issues a levy on the businesses in Strabane Town Centre.

During 2024/25, £50,889 (2023/24: £51,187) was collected on behalf of the BIDS company and at 31 March 2025 £1,257 (2023/24 £6,628) is included with the Creditor Accruals in the Balance Sheet.

At 31 March 2025 £587 (2023/24: £2,334) was also owed by the BIDS company to the Council for invoices paid on their behalf.

The Council employs the BIDS Officer and the cost of this post is partly paid for by the BIDS Company. There is 1 senior officer of the Council on the Board of Directors. The BIDS Company produces a separate set of annual accounts showing their total income and expenditure.

##### **Urban Villages**

In partnership with The Executive Office (TEO) and local promoters, Derry City and Strabane District Council are delivering two projects under the Urban Villages Initiative – The New Gate Arts and Culture Centre and The Gasyard Heritage and Exhibition Project. Council are responsible for all aspects of project delivery including procurement and design team / contractor engagement. TEO will subsequently reimburse Council for costs incurred. Upon completion of each project, the respective project promoter will assume responsibility for the facility.

In February 2020 TEO issued an initial letter of offer for the delivery of The New Gate Arts and Culture Centre for which Council is the project delivery partner, working alongside The North West Cultural Partnership as project promoter. Subsequent revisions have taken place to the letter of offer in November 2021 and April 2025. The most recent revision to the letter of offer shows TEO total contribution towards the project being £2,608,982. Of this amount, £2,427,032 is available directly to Council towards the capital cost and project management. Derry City and Strabane District Council through the Access and Inclusion Fund are also co-funders.

The main contract has been completed onsite and the Defects Period is nearing completion. There is an outstanding storm water requisition issue which Council are continuing to address alongside the contractor and NI Water. NI Water has indicated this issue should be resolved by their agents within the 2025/26 financial year.

In December 2022 TEO issued a revised letter of offer for a total project cost of £2,829,576 for the construction of The Gasyard Heritage and Exhibition Project in which, alongside TEO, the Department for Communities, the Department for Infrastructure, the National Heritage Lottery Fund, the Gasyard Development Trust and Derry City and Strabane District Council through the Access and Inclusion Fund have all been named as co-funders. Council is acting as the delivery partner working alongside the Gasyard Development Trust as project promoter. In March 2024, TEO approved an additional £412,547 towards the project. The main contract (funded by TEO) and fit-out elements (funded by the National Heritage Lottery Fund) have been completed on site. The final schedule of defects has been issued to the

contractor for addressing.

As at 31 March 2025, Council recognised a revenue grant debtor of £251,068 (2023/24 £108,387) for the New Gate Arts and Culture Centre and £562,826 (2023/24 £1,376,161) for the Gasyard Heritage Project.

### **Electric Vehicle Chargepoints**

In partnership with 8 other Northern Ireland Councils, Derry City and Strabane District Council (DCSDC) (collectively known as the Northern Ireland Electric Vehicle Consortium) is the lead Council for the delivery of the On-street Residential Chargepoint Scheme. The purpose of the scheme is to provide electric vehicle charging points in identified residential areas across Northern Ireland, in particular benefiting areas that do not have off-street parking. DCSDC will be responsible for procuring and delivering the scheme and will invoice each partner for their element of the costs incurred.

The Office for Zero Emission Vehicles (OZEV) has offered grant aid to a maximum value of £1,348,370 being 75% of eligible project expenditure. The Department for Infrastructure (DfI) has committed a maximum of £449,450 as match funding towards the project.

A contractor has been appointed with the Concession Agreement due to be agreed Summer 2025. A completion date of 31 March 2026 has been set for the project which is subject to timely planning approval for the on-street locations.

Both OZEV and DfI have already paid 75% of the grant aid to DCSDC. DCSDC will pay each of the partner Councils their element of the grant and as at 31 March 2025, DCSDC owed the other Councils £1,205,198.

### **Northwest Greenways**

In partnership with Donegal County Council, the Department for Infrastructure and Sustrans, Council is delivering the North West Greenway Network Project. Funded by INTERREG VA, administered by the Special EU Programme Body (SEUPB), the North West Regional Development Fund (NWDF), the Department for Communities (DfC), the Department for Infrastructure (DfI), Donegal County Council (DCC) and Derry City and Strabane District Council, the project will see the development of 46.5km of cross border greenway across two routes - Maydown - Strathfoyle - Derry - Quigley's Point (25.5km) and Ballymagorry - Strabane - Lifford - Castlefinn (21km) .

In 2017/18 Council, as Lead Partner, received a letter of offer from SEUPB for €14.9m of which Donegal County Council were allocated €8.3m, Sustrans were allocated €267k and Council were allocated €6.3m. Several revisions to the letter of offer have taken place since it was first received including significant additional funding being allocated in the 2022/23 financial year bringing the overall revised grant amount to €23.853m. The most recent re-profiling took place in the 2023/24 financial year with DCSDC allocated €10.138m, DCC €13.448m and Sustrans €267k. Each recipient is responsible for preparing their own claims direct to SEUPB. All funds will be paid by SEUPB to Council who will then forward the funds to the partner bodies.

During 2018/19 Council received a letter of offer from NWDF for £350k towards costs associated with the overall project and in 2019/20 Council received a letter of offer from DfC for £676k towards the Strabane to Lifford section of the project. The Strabane to Lifford section was also bring funded by DfI to the value of £54k. In 2023/24, Council also secured a letter of offer for funding from the Department for Communities in the sum of £727,500 towards the Bay Road Bridge and Greenway project. In 2024/25, a letter of offer from NWDF for £43k was received towards costs associated with the Culmore Greenway.

DCSDC, as Lead Partner, procured and appointed the Integrated Consultant's Team for the overall project. Practical completion has been achieved on the following greenway schemes:

- Strabane – Lifford – Castlefinn
- Strabane North
- Muff – Quigley's Point
- Maydown – Strathfoyle
- Bay Road Bridge and Greenway
- Culmore Greenway

During 2024/25, Council received €51,567 and €7,913,848 funding from SEUPB to be reimbursed to Sustrans and Donegal County Council respectively. As at 31 March 2025, Derry City and Strabane District Council owed no funds to the partners.

At 31 March 2025, Council recognised a revenue grant debtor of £1,639,693 (23/24 £3,570,958) and a capital grant debtor of £2,116,284 (23/24 £3,107,728) relating to the SEUPB grant aid.

## Riverine Community Park

In partnership with Donegal County Council, Council is working towards the delivery of the Riverine Community Park Project. The project aims to address the impact of conflict in the Lifford and Strabane area and its hinterlands by regenerating the border riverside area through the creation of an iconic cross border community park.

Donegal County Council, as Lead Partner, received a letter of offer from SEUPB in November 2024 for €16.7m under the PEACEPLUS Programme. Donegal County Council will deliver the capital element of the project in both jurisdictions with Derry City and District Council being allocated approximately €1.097m of the overall letter of offer towards staff costs, travel and other programme delivery costs.

The project end date is 31 July 2029.

## 29 Related Party Transactions

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council in making financial and operating decisions.

Related parties include Council Members, Senior Officers and members of their close family or the same household and / or partnerships, companies, trusts and other entities in which a Member, Officer or a member of their close family or the same household has a controlling interest.

Where the relationship with the Council and the entity is solely that of an Agency (see note 28) these are not deemed to be Related Party Transactions.

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

### a Payments below £25,000

Council made payments in aggregate of £142,746 (2023/24: £167,799), each individually below £25,000, to 15 (2023/24: 16) Community Groups/Associations or other bodies which were deemed to be a related party to Council.

### b Payments above £25,000

Council made payments above £25,000 to 13 bodies (2023/24: 13) on which Councillors/Chief Officers and/or their close family members were in a position to control or influence the respective entity. Details of these payments (net of VAT) are as follows:-

|                                   | 2024/25         | 2023/24         |
|-----------------------------------|-----------------|-----------------|
| City Centre Initiative            | 48,340          | 57,310          |
| Advice North West                 | 698,623         | 655,147         |
| RAPID Limited                     | 241,971         | 111,119         |
| City of Derry Airport             | 5,504,561       | 3,648,739       |
| N.I. Local Government Association | 63,868          | 63,040          |
| North West Carnival Initiative    | 110,680         | 152,345         |
| The Resource Centre               | 111,629         | 109,321         |
| Dove House                        | 235,253         | 218,914         |
| Derry Theatre Trust               | 385,309         | 390,592         |
| Visit Derry                       | 524,932         | 563,693         |
| Glenelly Development Trust        | Paid below £25k | 28,085          |
| Nerve Centre                      | 66,150          | 42,186          |
| Playhouse                         | 34,148          | 39,669          |
| Ernact                            | 66,215          | Paid below £25k |

### c Car Loans

Council makes available car loans to employees for whom it is necessary to have access to a car to carry out their work. This applies to all employees, and not just Chief Officers, so no benefits solely apply to this group. Total car loans outstanding as at 31st March 2025 was £48,908 (31st March 2024: £70,986). The total outstanding at 31 March 2025 for Senior Officers was £6,931 (31st March 2024: £11,307).

### d Department for Communities

Council receives annual operating grants from the Department for Communities. During 2024/25 it received £4,530,591 (2023/24 £4,485,779), details of which are given in Note 10.

**e Visit Derry**

Council is represented by 3 Councillors on the Board of Visit Derry, out of a total of 10 Board Members. A Chief Officer of the Council also acted as secretary of the company. It is a company limited by guarantee with no share capital, set up for the promotion of tourism in the Council area.

During 2024/25 Council paid £391,000 (2023/24 £391,000) in Management Fees to Visit Derry. Council had expenditure of £133,932 to Visit Derry during 2024/25 (2023/24 £172,692) for Advertising, Marketing and Tourism Promotion of which £8,647 was outstanding at 31 March 2025 (2023/24 £26,708). A further £59,958 was also accrued as being owed at 31.03.2025. Visit Derry is situated in a building rented by Council from a 3<sup>rd</sup> party for which Council invoiced Visit Derry for £36,000 (2023/24 £36,000) with a further £5,000 invoiced in respect of a contribution towards the Foyle Maritime Festival. Derry City and Strabane District Council has provided a guarantee to NILGOSC in relation to the pension rights of Visit Derry staff. Visit Derry Accounts are prepared and audited by an independent Audit Firm.

**f Derry Theatre Trust**

Council is represented by 3 Councillors on the Board of Derry Theatre Trust, out of the total Board of 9 Trustees. This is a registered charity in the form of a company limited by guarantee and not having share capital. It has been set up to manage the Millennium Forum, the theatre in the City.

During 2024/25 Council paid £376,805 (2023/24 £376,805) in Management Fees to Derry Theatre Trust. Derry City and Strabane District Council has provided a guarantee to NILGOSC in relation to the pension rights of Derry Theatre Trust staff. The Trust's Accounts are prepared and audited by an independent Audit firm. Council paid £8,504 to the Trust during 2024/25 (2023/24: £13,787) for Community Festivals grant and the Community Toilet Scheme.

**g ERNACT EEIG**

Council is a member of ERNACT EEIG. ERNACT (European Regions Network for the Application of Communications Technology) is an international network of European, regional and city public authorities that work together to access European Union digital technology programmes and funding for the benefit of their areas, companies and universities. The Council along with Donegal County Council is represented on the Board of Management by 2 Councillors and the Strategic Director of Business and Culture. Both Councils have given a commitment to provide deficit funding to ERNACT EEIG and during 2024/25 a sum of £66,215 (2023/24 £21,681) was provided by Derry City and Strabane District Council to cover core costs of the organisation. There is also a potential liability that both Councils would have to face if the organisation became insolvent.

**h Derry and Strabane Policing and Community Safety Partnership**

Council is represented by 10 Councillors on the Derry and Strabane Policing and Community Safety Partnership, one of which acts as Chairperson. During 2024/25 Council made no net contribution (2023/24: £0) to the running costs of the Partnership. Council also provides legal, financial and personnel services to the Partnership for which it received £9,300 during 2024/25 (2023/24 £9,300).

**i Other Local Authorities**

During 2024/25 the Council had expenditure of £399,974 (2023/24 £348,396) to other NI Local Authorities of which £15,723 was still owed at 31 March 2025 (2023/24 £83,821). A further £1,225,619 was owed in respect of advance receipts and £87,268 has been manually accrued at 31st March 2025 (2023/24 £1,300,460).

The Council also raised invoices totalling £1,721,555 (2023/24 £876,616) to other NI Local Authorities of which £66,935 was outstanding at 31 March 2025 (2023/24 £474,591). A further £449,963 was due from other Councils as at 31st March 2025 (2023/24: £1,346,967). The income relates mainly to services provided in the areas of Legal, Environmental Health, Business, Marketing and Tourism as well as Property Certificate fee income.

**j City of Derry Airport (Operations) Limited (CODA)**

With effect from 1st April 2010 the Council transferred the operation of City of Derry Airport to a new company, CODA, with Council being the sole shareholder in this new company. Council is represented by 5 Members/Officers out of the total Board of 9 Directors.

During 2024/25 Council received invoices from the Company for £5,504,561 (2023/24 £3,648,739) of which £407,899 was owed by Council to CODA at 31 March 25 (2023/24 £19,190). The invoices received from CODA relate to subvention of £3,479,729 (2023/24 £3,481,334), capital expenditure of £1,957,849 (2023/24: £167,180) and a further £66,983 (2023/24 £225) in relation to other sundry costs.

Of the £1,957,849 capital expenditure, £1,136,678 (2023/24 £82,974) has been transferred to CODA in exchange for shares with an issued value of £1,136,678. The remaining capital expenditure balance of £821,171 relates to spend on the infrastructure of the Airport which is held on Council's balance sheet of £184,010 and £637,161 held within assets under construction.

Council also purchased additional shares during 2024/25 to the value of £1,616,407 in respect of subvention which are also deemed to be of minimal value (2023/24: £3,481,334).

Council continued to provide support services to the new company which have not been charged to the company but are shown in Council's Cost of Services.

In addition to the above the Council paid the airline directly for costs associated with the PSO route to London totalling £2,036,314 (2023/24 £2,141,002). These costs have been fully funded, with 50% grant funding received from Department of Transport (UK) and 50% from Department for Economy (NI) during 2024/25.

During 2024/25 the Council invoiced CODA for £16,022 for expenditure incurred on its behalf (2023/24: £19,548) and £14,998 was receivable from the company at 31 March 25 (2023/24 £13,013).

#### **k North West Region Waste Management Joint Committee**

Derry City and Strabane District Council is a member of the NWRWMG Joint Committee, which is a partnership of 2 Councils established to collaborate in implementing the Waste Management Plan to develop an integrated network of regional waste management facilities which would be cost effective to the public. Total expenditure by the Committee during the year was £189,709 (2023/24: £187,147). The transactions for the Joint Committee are not reflected in the Accounts for Derry City and Strabane District Council but are instead reflected in the Joint Committee's Statement of Accounts for the year ended 31st March 2025. These Accounts are prepared under the Local Government (Northern Ireland) Order 2005 and are subject to audit by a Local Government Auditor.

Derry City and Strabane District Council acts as the lead Council for the NWRWMG Joint Committee and deals with all the financial transactions for the Group. The staff are also deemed to be employees of the Council. The Council provides office accommodation and support services to the Joint Committee for which it received £15,000 during 2024/25 (2023/24: £15,000). Council paid a sum of £66,964 to the Joint Committee as its share of operating costs for 2024/25 (2023/24: £63,724) and a further sum of £13,053 (2023/24: £13,729) towards costs incurred on behalf of a number of Councils.

As the Joint Committee uses Derry City and Strabane District Council to cashflow its activities there was a balance owed to the Council as 31st March 2025 of £8,312 (31st March 2024: £48,261).

#### **l North West Air Access Consortium**

Derry City and Strabane District Council is a member of the North West Air Access Consortium which was set up to develop air access to the North West area of Ireland. The other members include Donegal County Council and Tourism Ireland.

Derry City and Strabane District Council acts as the lead Council and as at 31st March 2025 had a sum of £89,527 in its Bank Account and within Receipts in Advance which belonged to the Consortium (2023/24: £89,527). These funds are to be used for joint marketing campaigns to develop air routes for the region.

#### **m North West Regional Development Group**

The Fresh Start Agreement of November 2015 committed to supporting the regional development work of the North West Gateway Initiative which involves Donegal County Council and Derry City and Strabane District Council and is part of the work programme of the North South Ministerial Council. Funding of €2.5m was initially set aside by both the ROI Government and Northern Ireland Executive (equivalent to £2,150,000) to support the Initiative. Additional funding of €1m was received from the ROI Government during 2021-22 of which £26,128 has not been spent and carried forward into 2025/26. The arrangements and structures required to inform the necessary cross border strategic and operational context for regional growth for the North West Region of the island of Ireland are in place and include the North West Strategic Growth Partnership and the North West Regional Development Group.

Derry City and Strabane District Council and Donegal County Council are partners in the North West Regional Development Group with membership comprising 6 elected representatives from both Councils. Derry City and Strabane District Council is the lead administrative Council with all income and expenditure reflected in its accounts for the year ended 31st March 2025. The following expenditure has been incurred and reflected in cost of services:-



|  | 2024/25        | 2023/24          |
|--|----------------|------------------|
| <b>Expenditure</b>   |                |                  |
| <b>Administration</b>  |                |                  |
| Salaries and Wages   | 112,931        | 111,595          |
| Overheads  | 1,572          | 1,561            |
| <b>Joint Project Expenditure</b>   |                |                  |
| Ireland North West Trade Missions  | -              | 39,898           |
| NW Spatial Strategy  | -              | 18,401           |
| Capacity Building  | 3,514          | 66,586           |
| Regional Tourism and Heritage Support  | -              | 12,906           |
| Regional Energy Agency II  | 37,844         | 52,145           |
| Audience Development Programme Phase 2   | 8,081          | 6,368            |
| Global Export Support Programme  | -              | 16,942           |
| Colmcille 1500   | -              | 33               |
| NW Tourism Product Development & Signage   | 96,247         | 94,114           |
| Ireland North West Investment Strategy 2022-23   | 2,560          | 118,237          |
| Chambers of Commerce Conference  | -              | 100              |
| Ireland NW City Region Investment Plan 2024-25   | 66,655         | -                |
| <b>Total Expenditure</b>   | <b>329,404</b> | <b>538,886</b>   |
|  |                |                  |
| <b>Income</b>  |                |                  |
| ROI Grant Funding  | 329,404        | 538,886          |
| <b>Total Income</b>  | <b>329,404</b> | <b>538,886</b>   |
|  |                |                  |
| <b>Net Expenditure Charged to Net Cost of Services</b>   |                |                  |
|  | <b>2024/25</b> | <b>2023/24</b>   |
| <b>Partnership Agreement Priorities/Theme</b>  |                |                  |
| Regional Economic Growth and Investment  | 172,145        | 2,051,388        |
| Regional Physical and Environmental Development  | 37,844         | 843,376          |
| Regional Social and Community Cohesion and Wellbeing   | 1,397          | 673,975          |
| Cross-cutting: Capacity Building, Collaborative Working and Planning for Balanced Regional Development | 118,018        | 1,228,656        |
| <b>Total Spend to 31 March</b>   | <b>329,404</b> | <b>4,797,395</b> |
|  |                |                  |
| NI Grant Funding   | -              | 2,150,000        |
| ROI Grant Funding  | 329,404        | 2,647,395        |
| <b>Total Grant Funding to 31 March</b>   | <b>329,404</b> | <b>4,797,395</b> |

### Events After the Reporting Period

The Statement of Accounts was authorised for issue by the Chief Executive on 22 September 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements have been adjusted in all material respects to reflect the impact of this information.

### Date of Authorisation for Issue

The Chief Financial Officer authorised these financial statements for issue on 22 September 2025.

**Derry City and Strabane District Council**

**Group Comprehensive Income and Expenditure Statement for the year ended 31 March 2025**

|   |           | 2024/25            |                      |                     | 2023/24            |                      |                    |
|---|-----------|--------------------|----------------------|---------------------|--------------------|----------------------|--------------------|
|   |           | Gross Expenditure  | Gross Income         | Net Expenditure     | Gross Expenditure  | Gross Income         | Net Expenditure    |
| Service Expenditure   | Note      | £                  | £                    | £                   | £                  | £                    | £                  |
| Cross Cutting Support Services                              | GN 2      | 9,063,322          | (580,754)            | 8,482,568           | 8,735,216          | (987,546)            | 7,747,670          |
| Environment & Regeneration                                  | GN 2      | 41,250,576         | (4,450,864)          | 36,799,712          | 40,389,737         | (8,122,836)          | 32,266,901         |
| Business & Culture  | GN 2      | 15,601,337         | (6,413,347)          | 9,187,990           | 13,912,415         | (5,543,752)          | 8,368,663          |
| Health & Community  | GN 2      | 24,458,323         | (7,351,288)          | 17,107,035          | 23,319,104         | (6,935,507)          | 16,383,597         |
| Council   | GN 2      | 1,339,861          | 0                    | 1,339,861           | 1,641,703          | (1,279)              | 1,640,424          |
| City of Derry Airport                                       | GN 2      | 12,830,358         | (6,273,352)          | 6,557,006           | 11,988,918         | (6,084,861)          | 5,904,057          |
| Other Corporate   | GN 2      | 1,228,481          | (15,008)             | 1,213,473           | 1,943,557          | (31,200)             | 1,912,357          |
| <b>Cost of Services on Continuing Operations</b>            |           | <b>105,772,258</b> | <b>(25,084,613)</b>  | <b>80,687,645</b>   | <b>101,930,650</b> | <b>(27,706,981)</b>  | <b>74,223,669</b>  |
| Other Operating Expenditure/ Income                         | GN 5      | 662,860            | (5,607,298)          | (4,944,438)         | 190,348            | (7,350)              | 182,998            |
| Financing and Investment Income and Expenditure             | GN 6      | 1,454,419          | (4,217,030)          | (2,762,611)         | 1,388,722          | (582,179)            | 806,543            |
| <b>Net Operating Expenditure</b>                            |           | <b>107,889,537</b> | <b>(34,908,941)</b>  | <b>72,980,596</b>   | <b>103,509,720</b> | <b>(28,296,510)</b>  | <b>75,213,210</b>  |
| Taxation and Non-Specific Grant Income                      | GN 7      | -                  | (82,615,148)         | (82,615,148)        | -                  | (77,079,215)         | (77,079,215)       |
| <b>(Surplus)/Deficit on the Provision of Services</b>       |           | <b>107,889,537</b> | <b>(117,524,089)</b> | <b>(9,634,552)</b>  | <b>103,509,720</b> | <b>(105,375,725)</b> | <b>(1,866,005)</b> |
|   |           |                    |                      |                     |                    |                      |                    |
| (Surplus)/Deficit on revaluation of non-current assets      | 11 / GN 8 |                    |                      | (3,026,263)         |                    |                      | (9,448,039)        |
| Remeasurements of the Net Defined Benefit Liability (Asset) | GN 10     |                    |                      | 119,000             |                    |                      | 3,922,000          |
| <b>Other Comprehensive Income and Expenditure</b>           |           |                    |                      | <b>(2,907,263)</b>  |                    |                      | <b>(5,526,039)</b> |
|   |           |                    |                      |                     |                    |                      |                    |
| <b>Total Comprehensive Income and Expenditure</b>           |           |                    |                      | <b>(12,541,815)</b> |                    |                      | <b>(7,392,044)</b> |

GN = Group Note

**Derry City and Strabane District Council**  
**Group Movement in Reserves Statement for the year ended 31 March 2025**

|  | General Fund<br>Summary | Other<br>Fund<br>Balances<br>and<br>Reserves | Capital<br>Receipts<br>Reserve | Total Usable<br>Reserves | Total Unusable<br>Reserves | Total Council<br>Reserves |
|--|-------------------------|--|--------------------------------|--------------------------|----------------------------|---------------------------|
|  |                         | £  | £                              | £                        | £                          | £                         |
| <b>Balance as at 1 April 2023</b>                                    | <b>7,146,078</b>        | <b>53,205,993</b>                            | <b>913,362</b>                 | <b>61,265,433</b>        | <b>179,372,313</b>         | <b>240,637,746</b>        |
| <b>Movement in reserves during the year</b>                          |                         |  |                                |                          |                            |                           |
| Surplus/ (Deficit) on the provision of services                      | 1,866,005               | -  | -                              | 1,866,005                | -                          | 1,866,005                 |
| Other Comprehensive Income and Expenditure                           | -                       | -  | -                              | -                        | 5,526,039                  | 5,526,039                 |
| <b>Total Comprehensive Income and Expenditure</b>                    | <b>1,866,005</b>        | <b>-</b>                                     | <b>-</b>                       | <b>1,866,005</b>         | <b>5,526,039</b>           | <b>7,392,044</b>          |
| Adjustments between accounting basis & funding under regulations     | (1,461,632)             | (3,268,742)                                  | (51,912)                       | (4,782,286)              | 4,782,286                  | -                         |
| <b>Net increase before transfers to Statutory and Other Reserves</b> | <b>404,373</b>          | <b>(3,268,742)</b>                           | <b>(51,912)</b>                | <b>(2,916,281)</b>       | <b>10,308,325</b>          | <b>7,392,044</b>          |
| Transfers to / from Statutory and Other Reserves                     | 82,764                  | (82,764)                                     | -                              | -                        | -                          | -                         |
| <b>Increase/ Decrease in year</b>                                    | <b>487,137</b>          | <b>(3,351,506)</b>                           | <b>(51,912)</b>                | <b>(2,916,281)</b>       | <b>10,308,328</b>          | <b>7,392,044</b>          |
| <b>Balance as at 31 March 2024</b>                                   | <b>7,633,215</b>        | <b>49,854,487</b>                            | <b>861,450</b>                 | <b>58,349,152</b>        | <b>189,680,638</b>         | <b>248,029,790</b>        |
| <b>Movement in reserves during the year</b>                          |                         |  |                                |                          |                            |                           |
| Surplus/ (Deficit) on the provision of services                      | 9,634,552               | -  | -                              | 9,634,552                | -                          | 9,634,552                 |
| Other Comprehensive Income and Expenditure                           | -                       | -  | -                              | -                        | 2,907,263                  | 2,907,263                 |
| <b>Total Comprehensive Income and Expenditure</b>                    | <b>9,634,552</b>        | <b>-</b>                                     | <b>-</b>                       | <b>9,634,552</b>         | <b>2,907,263</b>           | <b>12,541,815</b>         |
| Adjustments between accounting basis & funding under regulations     | (595,353)               | (6,834,337)                                  | 387,111                        | (7,042,579)              | 7,042,579                  | -                         |
| <b>Net increase before transfers to Statutory and Other</b>          | <b>9,039,199</b>        | <b>(6,834,337)</b>                           | <b>387,111</b>                 | <b>2,591,973</b>         | <b>9,949,842</b>           | <b>12,541,815</b>         |
| Transfers to / from Statutory and Other Reserves                     | (9,162,175)             | 9,162,175                                    | -                              | -                        | -                          | -                         |
| <b>Increase in year</b>  | <b>(122,976)</b>        | <b>2,327,838</b>                             | <b>387,111</b>                 | <b>2,591,973</b>         | <b>9,949,842</b>           | <b>12,541,815</b>         |
| <b>Balance as at 31 March 2025</b>                                   | <b>7,510,239</b>        | <b>52,182,325</b>                            | <b>1,248,561</b>               | <b>60,941,125</b>        | <b>199,630,480</b>         | <b>260,571,605</b>        |

**Derry City and Strabane District Council**  
**Group Balance Sheet as at 31 March 2025**

|   | Note          | 31 March 2025      | 31 March 2024      |
|---|---------------|--------------------|--------------------|
|   |               | £                  |                    |
| Fixed Assets                                    | Group Note 8  | 244,219,559        | 234,946,392        |
| Long Term Debtors                               |               | 3,930,626          | 3,353,604          |
| Other Long Term Assets                          | Group Note 10 | 236,000            | 694,000            |
| <b>LONG TERM ASSETS</b>                         |               | <b>248,386,185</b> | <b>238,993,996</b> |
| Inventories                                     |               | 574,409            | 574,412            |
| Short Term Debtors                              |               | 27,387,374         | 38,523,106         |
| Cash and Cash Equivalents                       | Group Note 11 | 36,826,729         | 20,814,808         |
| Assets Held for Sale                            |               | 1,097,647          | 3,098,851          |
| <b>CURRENT ASSETS</b>                           |               | <b>65,886,159</b>  | <b>63,011,177</b>  |
| Short Term Borrowing                            | Group Note 9  | 3,360,194          | 3,578,658          |
| Short Term Creditors                            |               | 16,603,826         | 16,507,930         |
| Provisions                                      |               | 182,537            | 170,236            |
| <b>CURRENT LIABILITIES</b>                      |               | <b>20,146,557</b>  | <b>20,256,824</b>  |
| Provisions                                      |               | 3,176,332          | 2,679,822          |
| Long Term Borrowing                             | Group Note 9  | 30,377,850         | 31,038,737         |
| <b>LONG TERM LIABILITIES</b>                    |               | <b>33,554,182</b>  | <b>33,718,559</b>  |
| <b>NET ASSETS</b>                               |               | <b>260,571,605</b> | <b>248,029,790</b> |
| USABLE RESERVES                                 |               |                    |                    |
| Capital Receipts Reserve                        | Group MIRS    | 1,248,561          | 861,450            |
| Capital Grants Unapplied Account                | Group MIRS    | 20,663,584         | 26,627,255         |
| Capital Fund                                    | Group MIRS    | 17,884,617         | 10,140,333         |
| Renewal and Repairs Fund                        | Group MIRS    | 5,897,032          | 5,068,037          |
| Other Balances and Reserves                     | Group MIRS    | 1,012,662          | 1,087,563          |
| General Fund                                    | Group Note 12 | 7,510,239          | 7,633,215          |
| Financial Commitments and Contingencies Reserve | Group MIRS    | 6,724,430          | 6,931,299          |
|   |               | <b>60,941,125</b>  | <b>58,349,152</b>  |
| UNUSABLE RESERVES                               |               |                    |                    |
| Capital Adjustment Account                      | Group Note 12 | 100,555,133        | 89,214,284         |
| Revaluation Reserve                             | Group MIRS    | 100,036,773        | 100,899,220        |
| Pensions Reserve                                | Group Note 10 | 236,000            | 694,000            |
| Accumulated Absences Account                    | Group MIRS    | (1,197,426)        | (1,126,866)        |
|   |               | <b>199,630,480</b> | <b>189,680,638</b> |
| <b>NET WORTH</b>                                |               | <b>260,571,605</b> | <b>248,029,790</b> |

**Derry City and Strabane District Council**  
**Group Cash Flow Statements at 31 March 2025**

|  | Note                 | 2024/25           | 2023/24            |
|--|----------------------|-------------------|--------------------|
|  |                      | £                 | £                  |
| Net (Deficit) / Surplus on the provision of services   |                      | 9,634,552         | 1,866,005          |
| Adjustment for non-cash movements  | Group Note 11        | 14,888,711        | 2,945,039          |
| Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities | Group Note 11        | (5,768,003)       | (4,336,104)        |
| <b>Net cash flows from operating activities</b>  | <b>Group Note 11</b> | <b>18,755,260</b> | <b>474,940</b>     |
| Cash flows from Investing Activities   | Group Note 11        | 454,456           | (3,845,358)        |
| Net Cash flows from Financing Activities   | Group Note 11        | (3,197,795)       | (2,460,804)        |
| <b>Net increase or decrease in cash and cash equivalents</b>   |                      | <b>16,011,921</b> | <b>(5,831,222)</b> |
| Cash and cash equivalents at the beginning of the reporting period   |                      | 20,814,808        | 26,646,030         |
| <b>Cash and cash equivalents at the end of the reporting period</b>  |                      | <b>36,826,729</b> | <b>20,814,808</b>  |

**Derry City and Strabane District Council**  
**Notes to the Group Financial Statements**  
**For the year ended 31 March 2025**

**Group Note 1. Accounting Policies**

**a Group Accounts**

The Group Accounting Policies are the same as the Council policies and have not been repeated again in these Notes.

Since there are no significant changes to the Consolidated Group Balance Sheet as compared to the Council's Balance Sheet, except for Fixed Assets and Pensions, most of the other supporting notes have not been deemed necessary. The reader should refer to the Council's Balance Sheet notes for further detail on these areas.

**City of Derry Airport (Operations) Ltd (CODA)**

Derry City and Strabane District Council is the sole shareholder in City of Derry Airport (Operations) Limited and has included the financial results for the company in the Council's Group Accounts.

The Income & Expenditure for the company is included within the City of Derry Airport service expenditure line in the Group Comprehensive Income & Expenditure Account with relevant intercompany transactions appropriately eliminated.

The Fixed Assets which have been transferred from Council to CODA have been included in the Group Balance Sheet as have the other Assets/Liabilities of the company. The loss on disposal triggered by the transfer of the Equipment & Vehicles has been removed from the Group Accounts. The remaining Assets in use at the Airport have not yet been transferred but are being operated under licence by the company.

The losses incurred by CODA during 2024/25 have been reflected in the Cost of Services and General Fund balances. These losses have mainly been offset by the removal of the loss on investment incurred by Council on the shares purchased during the financial year.

**b Going Concern of Wholly Owned Subsidiary – CODA**

Derry City and Strabane District Council (DCSDC) provided operational subvention funding of £3.480m to the company during 2024/25. Council received funding support of £3m from Government towards this cost.

Following submission of a business case in April 2021, recurrent funding of £3m per annum has been secured from Government up to 31 March 2029 to share the operational funding burden of the Airport and reduce the impact on ratepayers. This ensures that total recurrent funding of £3.245m (£3m Government and £245k Council) is available to ensure the future of the Airport up to 31 March 2029. Council also retains responsibility for the financing of capital expenditure at the Airport and has a recurrent annual budget of £1.3m in this regard.

Following completion of a tender process the PSO route to London Heathrow was approved by Department for Transport and commenced operations on 6 May 2023. In close liaison with the Northern Ireland Executive and the Department for Transport (DFT), further funding of £4.627m has been secured for a further 2-year period from 1 April 2025 to 31 March 2027 to ensure the continued operation of the critical London PSO route. This is an incredibly positive result and the first time that funding has been secured for beyond a one-year period. The Airport is treated as a going concern for the purpose of these accounts.

## Group Note 2a Group Expenditure and Funding Analysis

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

|   | 2024/25  |                    |   | 2023/24  |                    |   |
|---|--|--------------------|---|--|--------------------|---|
|   | Net Expenditure Chargeable to the General Fund | Adjustments        | Net Expenditure in the Comprehensive Income and Expenditure Statement | Net Expenditure Chargeable to the General Fund | Adjustments        | Net Expenditure in the Comprehensive Income and Expenditure Statement |
|   | £  | £                  | £   | £  | £                  | £   |
| Cross Cutting Support Services                            | 8,274,780                                      | 207,788            | 8,482,568   | 7,569,323                                      | 178,347            | 7,747,670   |
| Environment & Regeneration                                | 33,336,861                                     | 3,462,851          | 36,799,712  | 29,096,204                                     | 3,170,697          | 32,266,901  |
| Business & Culture  | 8,234,309                                      | 953,681            | 9,187,990   | 7,602,219                                      | 766,444            | 8,368,663   |
| Health & Community  | 13,827,210                                     | 3,279,825          | 17,107,035  | 13,417,584                                     | 2,966,013          | 16,383,597  |
| Council   | 1,319,004                                      | 20,857             | 1,339,861   | 1,698,513                                      | (58,089)           | 1,640,424   |
| City of Derry Airport                                     | 6,376,512                                      | 180,494            | 6,557,006   | 4,635,817                                      | 1,268,240          | 5,904,057   |
| Other Corporate   | 14,131   | 1,231,078          | 1,245,209   | 462,912  | 1,449,445          | 1,912,357   |
| Capital Financing   | 5,023,237                                      | (5,054,973)        | (31,736)  | 7,582,516                                      | (7,582,516)        | -   |
| Transfers to/from reserves & provisions                   | 9,162,175                                      | (9,162,175)        | -   | (82,764)                                       | 82,764             | -   |
| <b>Net Cost of Services</b>                               | <b>85,568,219</b>                              | <b>(4,880,574)</b> | <b>80,687,645</b>   | <b>71,982,324</b>                              | <b>2,241,345</b>   | <b>74,223,669</b>   |
| Other Income and Expenditure                              | (85,445,243)                                   | (4,876,954)        | (90,322,197)  | (72,469,461)                                   | (3,620,213)        | (76,089,674)  |
| <b>(Surplus) or Deficit</b>                               | <b>122,976</b>                                 | <b>(9,757,528)</b> | <b>(9,634,552)</b>  | <b>(487,137)</b>                               | <b>(1,378,868)</b> | <b>(1,866,005)</b>  |
| Opening General Fund                                      |  |                    | 7,633,215   |  |                    | 7,146,078   |
| <b>Surplus/ (Deficit) on General Fund Balance in Year</b> |  |                    | <b>(122,976)</b>  |  |                    | <b>487,137</b>  |
| <b>Closing General Fund</b>                               |  |                    | <b>7,510,239</b>  |  |                    | <b>7,633,215</b>  |

Net expenditure charged to the general fund of £85,568,219 is effectively the 2024-25 net accrued cost of running the Group that has to be funded by rates or from the existing surplus in the general fund.

'Capital financing' consists of loan interest, revenue contributions and minimum revenue provision (MRP) charges. The capital financing costs in relation to City of Derry Airport (CODA) of £2,511,869 have not been included within this capital financing line but are instead included within 'City of Derry Airport.'

'Other Income and Expenditure' relates to items within group notes 5 to 7. The amount of £85,445,243 relates to revenue grants and district rates income (group note 7) of £77,439,645 alongside the exceptional item of £5,005,598 in relation to the HMRC Leisure VAT reclaim (group note 5b). The -£4,876,954 relates to the adjusted deficit on disposal of assets of £61,160 (note 8 adjusted for removal of disposals between CODA and Council (group note 5)), and adjusted financing and investment net cost of £237,389 (group note 6 excluding £3m subvention grant) and capital grants income of £5,175,503 (group note 7).

**2b Group Note to the Expenditure and Funding Analysis**

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

**Adjustments between Funding and Accounting Basis 2024/25**

| Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts   | Adjustments for Capital Purposes | Net Change for the Pension Adjustments | Other Statutory Adjustments | Other non-statutory Adjustments | Total adjustments |
|---|----------------------------------|--|-----------------------------|---------------------------------|-------------------|
|   | £                                | £                                      | £                           | £                               | £                 |
| Cross Cutting Support Services  | 166,090                          | 41,689                                 | -                           | -                               | 207,788           |
| Environment & Regeneration  | 3,327,140                        | 135,711                                | -                           | -                               | 3,462,851         |
| Business & Culture  | 913,043                          | 40,638                                 | -                           | -                               | 953,681           |
| Health & Community  | 3,195,012                        | 84,813                                 | -                           | -                               | 3,279,825         |
| Council   | 14,717                           | 6,140                                  | -                           | -                               | 20,857            |
| City of Derry Airport   | 2,441,363                        | 251,000                                |                             | (2,511,869)                     | 180,494           |
| Capital Financing   | -                                | -                                      | -                           | (5,054,973)                     | (5,054,973)       |
| Other Corporate   | -                                | -                                      | 70,560                      | 1,160,518                       | 1,231,078         |
| Transfers to/from Reserves & Provisions   | -                                | -                                      | -                           | (9,162,175)                     | (9,162,175)       |
| Net Cost of Services  | 10,057,365                       | 560,000                                | 70,560                      | (15,568,499)                    | (4,880,574)       |
| Other Income and Expenditure from the Expenditure and Funding Analysis  | (5,114,343)                      | (221,000)                              | -                           | 458,389                         | (4,876,954)       |
| Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services | 4,943,022                        | 339,000                                | 70,560                      | (15,110,110)                    | (9,757,528)       |

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

| Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts   | Adjustments for Capital Purposes | Net Change for the Pension Adjustments | Other Statutory Adjustments | Other non-statutory Adjustments | Total adjustments |
|---|----------------------------------|--|-----------------------------|---------------------------------|-------------------|
|   | £                                | £                                      | £                           | £                               | £                 |
| Cross Cutting Support Services  | 163,173                          | 15,174                                 | -                           | -                               | 178,347           |
| Environment & Regeneration  | 3,119,560                        | 51,137                                 | -                           | -                               | 3,170,697         |
| Business & Culture  | 751,691                          | 14,753                                 | -                           | -                               | 766,444           |
| Health & Community  | 2,935,136                        | 30,877                                 | -                           | -                               | 2,966,013         |
| Council   | (60,148)                         | 2,059                                  | -                           | -                               | (58,089)          |
| City of Derry Airport   | 2,310,279                        | 256,000                                | -                           | (1,298,039)                     | 1,268,240         |
| Capital Financing   | -                                | -                                      | -                           | (7,582,516)                     | (7,582,516)       |
| Other Corporate   | -                                | 831,000                                | 183,536                     | 434,909                         | 1,449,445         |
| Transfers to/from Reserves & Provisions   | -                                | -                                      | -                           | 82,764                          | 82,764            |
| Net Cost of Services  | 9,219,691                        | 1,201,000                              | 183,536                     | (8,362,882)                     | 2,241,345         |
| Other Income and Expenditure from the Expenditure and Funding Analysis  | (4,426,756)                      | (403,000)                              | -                           | 1,209,543                       | (3,620,213)       |
| Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services | 4,792,935                        | 798,000                                | 183,536                     | (7,153,339)                     | (1,378,868)       |



### **Adjustments for Capital Purposes**

Adjustments to General Fund Balances to meet the requirements of generally accepted accounting practices, this column adds in depreciation and impairment and revaluation gains and losses in the services line and for:

- i) Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- ii) Financing and investment income and expenditure - the statutory charges for capital financing ie Minimum Revenue Provision and other revenue contributions are deducted from financing and investment income and expenditure as these are not chargeable under generally accepted accounting practices.
- iii) Taxation and Non Specific Grant Income and Expenditure – Capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

### **Net Change for Pension Adjustment**

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

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

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

### **Other Statutory Differences**

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

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

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

### **Other Non-Statutory Adjustments**

Other non-statutory adjustments represent amounts debited/credited to service segments which need to be adjusted against the 'Other income and expenditure from the Expenditure and Funding Analysis' line to comply with the presentational requirements in the Comprehensive Income and Expenditure Statement:

For financing and investment income and expenditure the other non-statutory adjustments column recognises adjustments to service segments, eg for interest income and expenditure and changes in the fair values of investment properties.

For taxation and non-specific grant income and expenditure the other non-statutory adjustments column recognised adjustments to service segments, eg for unringfenced government grants.

### 3a Group Adjustments between an Accounting Basis and Funding Basis under Regulations

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

| When determining the movement on the General Fund Balance for the year:   |               |              |                  |              |                    |
|---|---------------|--------------|------------------|--------------|--------------------|
|   | Notes         | 2024/25<br>£ | 2023/24<br>£     | 2023/24<br>£ | 2023/24<br>£       |
| <b>Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:</b>    |               |              |                  |              |                    |
| Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services   | Group Note 8  | (46,449)     |                  | (98,146)     |                    |
| Depreciation charged in the year on non-current assets  | Group Note 8  | 10,103,814   | 10,057,365       | 9,317,837    | 9,219,691          |
| Net Revenue expenditure funded from capital under statute (REFCUS)  |               |              | 1,527,098        |              | 4,499,584          |
| REFCUS - Governments Grants and Other Contributions   |               | (813,853)    |                  | (4,346,458)  |                    |
| REFCUS - Direct Financing   |               | (713,245)    | (1,527,098)      | (153,126)    | (4,499,584)        |
| Carrying amount of non current assets sold  | Group Note 5  | 662,860      |                  | 190,348      |                    |
| Proceeds from the sale of PP&E, investment property and intangible assets   | Group Note 5  | (601,700)    | 61,160           | (7,350)      | 182,998            |
| Net charges made for retirement benefits in accordance with IAS 19  | Group Note 10 |              | 6,764,000        |              | 7,320,000          |
| Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners   | Group Note 10 |              | (6,425,000)      |              | (6,522,000)        |
| Capital Grants and Donated Assets Receivable and Applied in year  |               |              | (1,857,002)      |              | 4,903,461          |
| Capital Grants Receivable and Unapplied in year   |               |              | (3,318,501)      |              | (9,513,215)        |
| Adjustments in relation to Short-term compensated absences  |               |              | 70,560           |              | 183,536            |
| <b>Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year</b> |               |              |                  |              |                    |
| Statutory Provision for the financing of Capital Investment   |               |              | (3,782,900)      |              | (4,068,169)        |
| Direct revenue financing of Capital Expenditure   |               |              | (2,165,035)      |              | (3,167,934)        |
|   |               |              | <b>(595,353)</b> |              | <b>(1,461,632)</b> |

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

|   |       | 2024/25     |             | 2023/24     |             |
|---|-------|-------------|-------------|-------------|-------------|
|   | Notes | £           | £           | £           | £           |
| Capital Fund                                  |       |             |             |             |             |
| Transfer to General Fund                      | 25c   | 1,051,843   |             | 348,742     |             |
| Transfer from General Fund                    | 25c   | (9,534,935) | (8,483,092) | (3,774,599) | (3,425,857) |
| Repairs and Renewal Fund                      |       |             |             |             |             |
| Transfer to General Fund                      | 25d   | 391,647     |             | 1,146,903   |             |
| Transfer from General Fund                    | 25d   | (1,352,500) | (960,853)   | (684,530)   | 462,373     |
| Other Funds and Earmarked Reserves            |       |             |             |             |             |
| Transfer to General Fund                      | 25e   | 417,401     |             | 488,096     |             |
| Transfer from General Fund                    | 25e   | (342,500)   | 74,901      | (295,084)   | 193,012     |
| Financial Commitments & Contingencies Reserve |       |             |             |             |             |
| Transfer to General Fund                      | 25g   | 942,140     |             | 3,263,236   |             |
| Transfer from General Fund                    | 25g   | (735,271)   | 206,869     | (410,000)   | 2,853,236   |
|   |       |             | (9,162,175) |             | 82,764      |

#### 4 Group Employee Costs and Member Allowances

##### a Staff Costs

|  | 2024/25           | 2023/24           |
|--|-------------------|-------------------|
|  | £                 | £                 |
| Salaries and Wages                       | 38,901,566        | 36,432,195        |
| Employers NIC                            | 3,873,257         | 3,616,789         |
| Employers Superannuation – NILGOSC       | 6,209,396         | 5,835,978         |
| Employers Superannuation – Civil Service | 346,837           | 315,908           |
| Apprenticeship Levy                      | 161,908           | 150,888           |
| <b>Total Staff Costs</b>                 | <b>49,492,964</b> | <b>45,876,311</b> |

The above figures include £74,458 for the capital costs incurred in respect of Council's 2024/25 exit packages (2023/24; £336,158).

In addition, agency costs during the year amounted to £410,266 (2023/24; £334,900) and short-term compensating absences during the year amounted to £1,197,426 (2023/24; £1,126,866).

The Council's current contribution rate to the NILGOSC scheme is 19% (2023/24; 19%).

At the last actuarial valuation dated 31 March 2022, there was a surplus of £1,004.4m relative to the liabilities and the funding level was 111%.

The Council incurred total costs (including superannuation capital costs detailed above) of £329,149 during 2024/25 (2023/24; £532,358) in respect of former employees who were granted early retirement or redundancy or employees who continued to pay their contributions during periods of absence such as career breaks.

##### b Average Number of Employees

|                            | 2024/25        | 2023/24        |
|----------------------------|----------------|----------------|
|                            | FTE            | FTE            |
| Full time numbers employed | 759            | 760            |
| Part time numbers employed | 165            | 140            |
| Other                      | 134            | 132            |
| <b>Total Number</b>        | <b>1,058</b>   | <b>1,032</b>   |
|                            | 2024/25        | 2023/24        |
|                            | Actual Numbers | Actual Numbers |
| Full time numbers employed | 903            | 898            |
| Part time numbers employed | 293            | 282            |
| <b>Total Number</b>        | <b>1,196</b>   | <b>1,180</b>   |

##### c Senior Employees' Remuneration

|                       | 2024/25    | 2023/24   |
|-----------------------|------------|-----------|
| £50,001 to £60,000    | 77         | 43        |
| £60,001 to £70,000    | 13         | 13        |
| £70,001 to £80,000    | 12         | 7         |
| £80,001 to £90,000    | 6          | 2         |
| £90,001 to £100,000   | 4          | 4         |
| £100,001 to £110,000  | 2          | 0         |
| £110,001 to £120,000  | 0          | 0         |
| £120,001 to £130,000  | 0          | 0         |
| £130,001 to £140,000* | 1          | 1         |
| <b>Total Number</b>   | <b>115</b> | <b>70</b> |

\*This includes salary in relation to the role of Deputy Returning Officer for the May 2023 election

## 5 Group Other Operating Income and Expenditure

### a Surplus / Deficit on Non-Current Assets (excluding Investment Properties)

|  | 2024/25       | 2023/24        |
|--|---------------|----------------|
|  | £             | £              |
| Proceeds from sale   | (601,700)     | (7,350)        |
| Carrying amount of non-current assets sold (excluding investment properties) | 662,860       | 190,348        |
|  | <b>61,160</b> | <b>182,998</b> |

### b Other Operating Income and Expenditure

|                    | 2024/25            | 2023/24  |
|--------------------|--------------------|----------|
|                    | £                  | £        |
| Exceptional Income | (5,005,598)        | -        |
|                    | <b>(5,005,598)</b> | <b>-</b> |

## 6 Group Financing and Investment Income and Expenditure

|   | 2024/25           |                    |                    | 2023/24           |                  |                 |
|---|-------------------|--------------------|--------------------|-------------------|------------------|-----------------|
|   | Gross Expenditure | Gross Income       | Net Expenditure    | Gross Expenditure | Gross Income     | Net Expenditure |
|   | £                 | £                  | £                  | £                 | £                | £               |
| Interest Payable and Similar Charges            | 1,675,419         | -                  | 1,675,419          | 1,791,722         | -                | 1,791,722       |
| Interest and Investment Income                  | 0                 | (1,217,030)        | (1,217,030)        | -                 | (582,179)        | (582,179)       |
| Pensions Interest Cost                          | (221,000)         | -                  | (221,000)          | (403,000)         | -                | (403,000)       |
| Write Down of Value of Shares Purchased in CODA | -                 | (3,000,000)        | (3,000,000)        | -                 | -                | -               |
| <b>Total Number</b>                             | <b>1,454,419</b>  | <b>(4,217,030)</b> | <b>(2,762,611)</b> | <b>1,388,722</b>  | <b>(582,179)</b> | <b>806,543</b>  |

## 7 Group Taxation and Non-Specific Grant Income

|                                  | 2024/25             | 2023/24             |
|----------------------------------|---------------------|---------------------|
|                                  | £                   | £                   |
| District Rate Income             | (72,909,054)        | (67,983,682)        |
| Revenue Grants                   | (4,530,591)         | (4,485,779)         |
| Capital Grants and Contributions | (5,175,503)         | (4,609,754)         |
| <b>Total</b>                     | <b>(82,615,148)</b> | <b>(77,079,215)</b> |

**8a Group Long Term Assets – Current Year**

| Cost or Valuation   | Land<br>£         | Buildings<br>£         | Infrastructure<br>Assets<br>£          | Vehicles,<br>Plant &<br>Equipment<br>£               | Community<br>Assets<br>£          | PP&E Under<br>Construction<br>£              | Surplus<br>Assets<br>£          | Total PP&E<br>£             | Heritage<br>Assets<br>£          | Intangible<br>Assets<br>£          | TOTAL<br>£         |
|---|-------------------|------------------------|--|--|-----------------------------------|--|---------------------------------|-----------------------------|----------------------------------|------------------------------------|--------------------|
| <b>Balance b/f as at 1 April 2024</b>   | <b>26,055,870</b> | <b>157,895,345</b>     | <b>19,839,398</b>                      | <b>50,114,481</b>                                    | <b>7,607,868</b>                  | <b>12,512,847</b>                            | <b>4,399,649</b>                | <b>278,425,458</b>          | <b>8,615,685</b>                 | <b>875,401</b>                     | <b>287,916,544</b> |
| Recognition of Right of Use Assets at 1 April 2024                                    | 1,081,306         | 1,222,279              | -                                      | 14,858   | -                                 | -  | -                               | 2,318,443                   | -                                | -                                  | 2,318,443          |
| Adjustments between cost/value & depreciation/impairment                              | (137)             | (6,687,426)            | -                                      | -  | -                                 | -  | -                               | (6,687,563)                 | -                                | -                                  | (6,687,563)        |
| <b>Balance as at 1 April 2024</b>   | <b>27,137,039</b> | <b>152,430,198</b>     | <b>19,839,398</b>                      | <b>50,129,339</b>                                    | <b>7,607,868</b>                  | <b>12,512,847</b>                            | <b>4,399,649</b>                | <b>274,056,338</b>          | <b>8,615,685</b>                 | <b>875,401</b>                     | <b>283,547,424</b> |
| Additions   | 94                | 245,391                | 27,740                                 | 1,704,658  | -                                 | 10,526,111                                   | -                               | 12,503,994                  | -                                | 134,287                            | 12,638,281         |
| Donations   | 9,200             | -                      | -                                      | -  | -                                 | -  | -                               | 9,200                       | -                                | -                                  | 9,200              |
| Revaluation increases/ (decreases) to Revaluation Reserve                             | 2,950             | 4,490,929              | -                                      | -  | -                                 | -  | (13,796)                        | 4,480,083                   | (32,649)                         | -                                  | 4,447,434          |
| Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services | (2,068)           | 53,329                 | -                                      | -  | -                                 | -  | -                               | 51,261                      | (4,812)                          | -                                  | 46,449             |
| Derecognition - Disposals   | -                 | -                      | -                                      | (784,414)  | -                                 | -  | -                               | (784,414)                   | (1,500)                          | -                                  | (785,914)          |
| Reclassifications & Transfers   | 1,974             | 6,048,633              | 5,619,400                              | 1,334,650  | -                                 | (13,197,677)                                 | -                               | (193,020)                   | 191,694                          | -                                  | (1,326)            |
| Reclassified to(-) / from(+) Held for Sale  | -                 | -                      | -                                      | -  | -                                 | -  | (80,000)                        | (80,000)                    | -                                | -                                  | (80,000)           |
| <b>Balance as at 31 March 2025</b>  | <b>27,149,189</b> | <b>163,268,480</b>     | <b>25,486,538</b>                      | <b>52,384,233</b>                                    | <b>7,607,868</b>                  | <b>9,841,281</b>                             | <b>4,305,853</b>                | <b>290,043,442</b>          | <b>8,768,418</b>                 | <b>1,009,688</b>                   | <b>299,821,548</b> |
| <b>Depreciation and Impairment</b>  | <b>Land<br/>£</b> | <b>Buildings<br/>£</b> | <b>Infrastructure<br/>Assets<br/>£</b> | <b>Vehicles,<br/>Plant &amp;<br/>Equipment<br/>£</b> | <b>Community<br/>Assets<br/>£</b> | <b>PP&amp;E Under<br/>Construction<br/>£</b> | <b>Surplus<br/>Assets<br/>£</b> | <b>Total PP&amp;E<br/>£</b> | <b>Heritage<br/>Assets<br/>£</b> | <b>Intangible<br/>Assets<br/>£</b> | <b>TOTAL<br/>£</b> |
| <b>Balance as at 1 April 2024</b>   | -                 | 19,913                 | 11,516,758                             | 41,311,354   | -                                 | -  | -                               | 52,848,025                  | -                                | 122,127                            | 52,970,152         |
| Adjustments between cost/value & depreciation/impairment                              | (137)             | (6,687,426)            | -                                      | -  | -                                 | -  | -                               | (6,687,563)                 | -                                | -                                  | (6,687,563)        |
| <b>Balance as at 1 April 2024</b>   | <b>(137)</b>      | <b>(6,667,513)</b>     | <b>11,516,758</b>                      | <b>41,311,354</b>                                    | <b>-</b>                          | <b>-</b>                                     | <b>-</b>                        | <b>46,160,462</b>           | <b>-</b>                         | <b>122,127</b>                     | <b>46,282,589</b>  |
| Depreciation Charge   | 114,408           | 6,800,406              | 1,230,683                              | 1,889,408  | -                                 | -  | -                               | 10,034,905                  | -                                | 68,909                             | 10,103,814         |
| Derecognition - Disposals   | -                 | -                      | -                                      | (784,414)  | -                                 | -  | -                               | (784,414)                   | -                                | -                                  | (784,414)          |
| <b>Balance as at 31 March 2025</b>  | <b>114,271</b>    | <b>132,893</b>         | <b>12,747,441</b>                      | <b>42,416,348</b>                                    | <b>-</b>                          | <b>-</b>                                     | <b>-</b>                        | <b>55,410,953</b>           | <b>-</b>                         | <b>191,036</b>                     | <b>55,601,989</b>  |
| <b>Balance as at 31 March 2025</b>  | <b>27,034,918</b> | <b>163,135,587</b>     | <b>12,739,097</b>                      | <b>9,967,885</b>                                     | <b>7,607,868</b>                  | <b>9,841,281</b>                             | <b>4,305,853</b>                | <b>234,632,489</b>          | <b>8,768,418</b>                 | <b>818,652</b>                     | <b>244,219,559</b> |

**b Long Term Assets – Comparative Year**

| Cost or Valuation  | Land<br>£         | Buildings<br>£         | Infrastructure<br>Assets<br>£          | Vehicles,<br>Plant &<br>Equipment<br>£               | Community<br>Assets<br>£          | PP&E Under<br>Construction<br>£              | Surplus Assets<br>£         | Total PP&E<br>£             | Heritage<br>Assets<br>£          | Intangible<br>Assets<br>£          | TOTAL<br>£         |
|--|-------------------|------------------------|--|--|-----------------------------------|--|-----------------------------|-----------------------------|----------------------------------|------------------------------------|--------------------|
| <b>Balance as at 1 April 2023</b>  | <b>25,897,870</b> | <b>158,908,756</b>     | <b>15,993,805</b>                      | <b>49,971,090</b>                                    | <b>7,607,868</b>                  | <b>9,322,389</b>                             | <b>3,955,649</b>            | <b>271,657,427</b>          | <b>5,289,078</b>                 | <b>807,774</b>                     | <b>277,754,279</b> |
| Adjustments between<br>cost/value &<br>depreciation/impairment                                 | -                 | (6,297,695)            | -                                      | -  | -                                 | -  | -                           | (6,297,695)                 | -                                | -                                  | (6,297,695)        |
| <b>Balance as at 1 April 2023</b>  | <b>25,897,870</b> | <b>152,611,061</b>     | <b>15,993,805</b>                      | <b>49,971,090</b>                                    | <b>7,607,868</b>                  | <b>9,322,389</b>                             | <b>3,955,649</b>            | <b>265,359,732</b>          | <b>5,289,078</b>                 | <b>807,774</b>                     | <b>271,456,584</b> |
| Additions  | -                 | 155,463                | 1,320                                  | 661,699  | -                                 | 8,578,338                                    | -                           | <b>9,396,820</b>            | -                                | 22,766                             | <b>9,419,586</b>   |
| Donations  | 6,000             | -                      | -                                      | 275,000  | -                                 | -  | -                           | <b>281,000</b>              | -                                | -                                  | <b>281,000</b>     |
| Revaluation increases/<br>(decreases) to Revaluation<br>Reserve                                | 13,576            | 5,025,888              | -                                      | -  | -                                 | -  | 14,000                      | <b>5,053,464</b>            | 2,614,575                        | -                                  | <b>7,668,039</b>   |
| Revaluation increases/<br>(decreases) to Surplus or<br>Deficit on the Provision of<br>Services | 14,875            | 71,098                 | -                                      | -  | -                                 | -  | (22,073)                    | <b>63,900</b>               | 60,148                           | -                                  | <b>124,048</b>     |
| Impairment to Surplus or Deficit<br>on the Provision of Services                               | -                 | (25,902)               | -                                      | -  | -                                 | -  | -                           | <b>(25,902)</b>             | -                                | -                                  | <b>(25,902)</b>    |
| Derecognition - Disposals  | (41,545)          | (127,888)              | -                                      | (793,308)  | -                                 | -  | -                           | <b>(962,741)</b>            | (9,468)                          | (34,602)                           | <b>(1,006,811)</b> |
| Reclassifications & Transfers<br>Reclassified to(-) / from(+)<br>Held for Sale                 | 165,094           | 185,625                | 3,844,273                              | -  | -                                 | (5,387,880)                                  | 452,073                     | <b>(740,815)</b>            | 661,352                          | 79,463                             | -                  |
| <b>Balance as at 31 March 2024</b>   | <b>26,055,870</b> | <b>157,895,345</b>     | <b>19,839,398</b>                      | <b>50,114,481</b>                                    | <b>7,607,868</b>                  | <b>12,512,847</b>                            | <b>4,399,649</b>            | <b>278,425,458</b>          | <b>8,615,685</b>                 | <b>875,401</b>                     | <b>287,916,544</b> |
| <b>Depreciation and Impairment</b>   | <b>Land<br/>£</b> | <b>Buildings<br/>£</b> | <b>Infrastructure<br/>Assets<br/>£</b> | <b>Vehicles,<br/>Plant &amp;<br/>Equipment<br/>£</b> | <b>Community<br/>Assets<br/>£</b> | <b>PP&amp;E Under<br/>Construction<br/>£</b> | <b>Surplus Assets<br/>£</b> | <b>Total PP&amp;E<br/>£</b> | <b>Heritage<br/>Assets<br/>£</b> | <b>Intangible<br/>Assets<br/>£</b> | <b>TOTAL<br/>£</b> |
| <b>Balance as at 1 April 2023</b>  | -                 | 19,913                 | 10,309,868                             | 40,329,326   | -                                 | -  | -                           | <b>50,659,107</b>           | -                                | 107,366                            | <b>50,766,473</b>  |
| Adjustments between<br>cost/value &<br>depreciation/impairment                                 | -                 | (6,297,695)            | -                                      | -  | -                                 | -  | -                           | (6,297,695)                 | -                                | -                                  | (6,297,695)        |
| <b>Balance as at 1 April 2023</b>  | <b>-</b>          | <b>(6,277,782)</b>     | <b>10,309,868</b>                      | <b>40,329,326</b>                                    | <b>-</b>                          | <b>-</b>                                     | <b>-</b>                    | <b>44,361,412</b>           | <b>-</b>                         | <b>107,366</b>                     | <b>44,468,778</b>  |
| Depreciation Charge  | -                 | 6,297,695              | 1,206,890                              | 1,763,889  | -                                 | -  | -                           | <b>9,268,474</b>            | -                                | <b>49,363</b>                      | <b>9,317,837</b>   |
| Derecognition - Disposals  | -                 | -                      | -                                      | (781,861)  | -                                 | -  | -                           | <b>(781,861)</b>            | -                                | <b>(34,602)</b>                    | <b>(816,463)</b>   |
| <b>Balance as at 31 March 2024</b>   | <b>-</b>          | <b>19,913</b>          | <b>11,516,758</b>                      | <b>41,311,354</b>                                    | <b>-</b>                          | <b>-</b>                                     | <b>-</b>                    | <b>52,848,025</b>           | <b>-</b>                         | <b>122,127</b>                     | <b>52,970,152</b>  |
| <b>Balance as at 31 March 2024</b>   | <b>26,055,870</b> | <b>157,875,432</b>     | <b>8,322,640</b>                       | <b>8,803,127</b>                                     | <b>7,607,868</b>                  | <b>12,512,847</b>                            | <b>4,399,649</b>            | <b>225,577,433</b>          | <b>8,615,685</b>                 | <b>753,274</b>                     | <b>234,946,392</b> |

## City of Derry Airport

The City of Derry Airport is a fully owned subsidiary of Council.

During 2024/25, the Council transferred operational plant and machinery assets at the Airport in the sum of £1,136,678 (2023/24 £82,974) to City of Derry Airport (Operations) Limited in consideration for shares in the company to the net book values of the assets transferred. These shares are deemed to have no market value due to the current trading conditions at the Airport and the transfer has resulted in a loss on disposal of these assets.

Land and building assets related to the Airport are retained by Council. The value of these assets in note 11 on a going concern basis are £5.29m of land and £37.00m of buildings with an associated total revaluation reserve on these assets of £26.88m.

At 31 March 2025, £637,161 is also held by Council in assets under construction in relation to the Fire Tender and Hold Baggage System projects reflecting expenditure for works currently being undertaken but not complete as at 31 March.

## 9 Group Borrowing

### a Short Term Borrowing

|                                 | 2024/25          | 2023/24          |
|---------------------------------|------------------|------------------|
|                                 | £                | £                |
| Loans Repayable Within One Year | 3,171,305        | 3,574,351        |
| Lease Principal                 | 188,889          | 4,307            |
| <b>Total</b>                    | <b>3,360,194</b> | <b>3,578,658</b> |

### b Long Term Borrowing

|                        | 2024/25           | 2023/24           |
|------------------------|-------------------|-------------------|
|                        | £                 | £                 |
| Between 1 and 2 years  | 2,325,524         | 2,534,058         |
| Between 2 and 5 years  | 6,631,577         | 6,310,025         |
| Between 5 and 10 years | 10,201,863        | 9,929,397         |
| In more than 10 years  | 11,218,886        | 12,265,257        |
| <b>Total</b>           | <b>30,377,850</b> | <b>31,038,737</b> |

|                        | 2024/25           | 2023/24           |
|------------------------|-------------------|-------------------|
|                        | £                 | £                 |
| <b>Total Borrowing</b> | <b>33,738,044</b> | <b>34,617,395</b> |

Derry City and Strabane District Council leases land in respect of CODA for which CODA makes the lease payment to the lessor. Upon consolidation, the overall outstanding lease principal due within 1 year reduces.

## 10 Group Retirement Benefits

### a Participation in the Northern Ireland Local Government Officers' Pension Fund

As part of the terms and conditions of employment of its officers and other employees, the Group offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Group has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Group 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 Group and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

### b Transactions relating to retirement benefits – Comprehensive Income and Expenditure Statement Charges

The Group 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 Group is required to make against expenditure 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:

|  | 2024/25            | 2023/24            |
|--|--------------------|--------------------|
|  | £                  | £                  |
| <b>Net cost of services:</b>   |                    |                    |
| Current service cost   | 6,985,000          | 6,892,000          |
| Past service cost / (gain)   | -                  | 831,000            |
| <b>Net operating expenditure:</b>  |                    |                    |
| Net interest on net defined benefit liability / (asset) and unrecognised asset                       | (221,000)          | (403,000)          |
| <b>Total post-employment benefits charged to the Surplus or deficit on the Provision of Services</b> | <b>6,764,000</b>   | <b>7,320,000</b>   |
| <b>Movement in Reserves Statement:</b>   |                    |                    |
| Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code          | <b>(6,764,000)</b> | <b>(7,320,000)</b> |
| <b>Actual amount charged against the general fund balance for pensions in the year:</b>              |                    |                    |
| Employers' contributions payable to scheme   | 6,425,000          | 6,522,000          |
| <b>Net Adjustment to General Fund</b>  | <b>(339,000)</b>   | <b>(798,000)</b>   |

The service cost figures include an allowance for administrative expenses of £0.172m.

| Remeasurements recognised in Other Comprehensive Income and Expenditure     | 2024/25          | 2023/24            |
|---|------------------|--------------------|
|   | £                | £                  |
| Liability gains due to change in financial assumptions                      | 38,441,000       | 7,724,000          |
| Liability (losses) / gains due to demographic changes                       | 1,637,000        | 3,318,000          |
| Liability experiences (losses) arising in the year                          | (328,000)        | (2,958,000)        |
| Actuarial (losses) / gains on plan assets                                   | (947,000)        | 10,871,000         |
| Adjustment loss due to restriction of surplus                               | (38,922,000)     | (22,877,000)       |
| <b>Total gains recognised in Other Comprehensive Income and Expenditure</b> | <b>(119,000)</b> | <b>(3,922,000)</b> |

### c Assets and Liabilities in relation to Retirement Benefits

| Reconciliation of present value of the scheme liabilities:      | 2024/25            | 2023/24            |
|---|--------------------|--------------------|
|   | £                  | £                  |
| Balance as at 1 April   | 217,193,000        | 212,306,000        |
| Current service cost  | 6,985,000          | 6,892,000          |
| Interest cost   | 10,313,000         | 9,878,000          |
| Contributions by members  | 2,163,000          | 1,978,000          |
| Remeasurement (gains) and losses:                               |                    |                    |
| Actuarial (gains) arising from changes in financial assumptions | (38,441,000)       | (7,724,000)        |
| Actuarial losses/(gains) arising from demographic changes       | (1,637,000)        | (3,318,000)        |
| Actuarial losses arising on liabilities from experience         | 328,000            | 2,958,000          |
| Past service costs/(gains)                                      | -                  | 831,000            |
| Estimated unfunded benefits paid                                | (132,000)          | (126,000)          |
| Estimated benefits paid   | (6,923,000)        | (6,482,000)        |
| <b>Balance as at 31 March</b>                                   | <b>189,849,000</b> | <b>217,193,000</b> |

| Reconciliation of present value of the scheme assets: | 2024/25            | 2023/24            |
|---|--------------------|--------------------|
|   | £                  | £                  |
| Balance as at 1 April                                 | 241,458,000        | 218,383,000        |
| Interest Income                                       | 11,630,000         | 10,312,000         |
| Contributions by members                              | 2,163,000          | 1,978,000          |
| Contributions by employer                             | 6,293,000          | 6,396,000          |
| Contributions in respect of unfunded benefits         | 132,000            | 126,000            |
| Remeasurement (loss)/gain                             | (947,000)          | 10,871,000         |
| Unfunded benefits paid                                | (132,000)          | (126,000)          |
| Benefits paid   | (6,923,000)        | (6,482,000)        |
| <b>Balance as at 31 March</b>                         | <b>253,674,000</b> | <b>241,458,000</b> |

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

The actual return on scheme assets in the year was a gain of £10,683,000 (2023/24 gain of £21,183,000).



| Fair Value of Plan Assets | 2024/25            | 2023/24            |
|---------------------------|--------------------|--------------------|
|                           | £                  | £                  |
| Equity investments        | 101,976,948        | 95,858,680         |
| Bonds                     | 48,198,060         | 47,326,240         |
| Property                  | 25,367,400         | 22,455,920         |
| Multi Asset Credit        | 33,992,316         | 31,389,200         |
| Cash                      | 28,918,836         | 29,940,560         |
| Other                     | 15,220,440         | 14,487,400         |
|                           | <b>253,674,000</b> | <b>241,458,000</b> |

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

The bid value of assets for the fund as a whole as at 31 March 2025 were provided by the Administering Authority. The amounts included in the fair value of plan assets for property occupied by the Council was £0.

#### The Group's Share of the Net Pension Asset / (Liability) (included in the Balance Sheet)

|  | 2024/25           | 2023/24           |
|--|-------------------|-------------------|
|  | £                 | £                 |
| Fair Value of Employer Assets  | 253,674,000       | 241,458,000       |
| Present value of funded defined benefit obligation                       | (188,523,000)     | (215,696,000)     |
| Pension asset/(liability) of Funded Scheme                               | <b>65,151,000</b> | <b>25,762,000</b> |
| Present Value of unfunded defined benefit obligation                     | (1,326,000)       | (1,497,000)       |
| Unrecognised Asset   | (63,589,000)      | (23,571,000)      |
| <b>Net asset/(liability) arising from the defined benefit obligation</b> | <b>236,000</b>    | <b>694,000</b>    |
| Amount in the Balance sheet:   |                   |                   |
| Liabilities  | (1,326,000)       | (1,497,000)       |
| Assets   | 1,562,000         | 2,191,000         |
| <b>Net Asset / (Liability)</b>   | <b>236,000</b>    | <b>694,000</b>    |

#### d Scheme History

| Analysis of scheme assets and liabilities   | 2024/25           | 2023/24           |
|---|-------------------|-------------------|
|   | £                 | £                 |
| Fair Value of Assets in pension scheme      | 253,674,000       | 241,458,000       |
| Present Value of Defined Benefit Obligation | (189,849,000)     | (217,193,000)     |
| <b>Surplus/(deficit) in the Scheme</b>      | <b>63,825,000</b> | <b>24,265,000</b> |

| Amount recognised in other Comprehensive Income and Expenditure                | 2024/25          | 2023/24            |
|--|------------------|--------------------|
|  | £                | £                  |
| Actuarial gains  | 828,000          | (14,793,000)       |
| Expected Return on Plan Assets   | (947,000)        | 10,871,000         |
| <b>Remeasurements recognised in Other Comprehensive Income and Expenditure</b> | <b>(119,000)</b> | <b>(3,922,000)</b> |

The Group has a net pension asset of £236,000 at the accounting date as recorded in the Balance Sheet.

#### Net Pension Asset 31 March 2024

Council's pension liability is as disclosed in note 21 with a value of £1.497m.

Aon Hewitt have assessed CODA's pension asset to be £3.662m but have restricted the asset by £1.471m in accordance with FRS102 resulting in a plan asset of £2.191m being recognised in the Group balance sheet. Combined with Council's pension liability, this leaves an overall Group pension asset of £0.694m.

#### Net Pension Asset 31 March 2025

Council's pension liability is as disclosed in note 21 with a value of £1.326m.

Aon Hewitt have assessed CODA's pension asset to be £5.364m but have restricted the asset by £3.802m in accordance with FRS102 resulting in a plan asset of £1.562m being recognised in the Group balance sheet. Combined with Council's pension liability, this leaves an overall Group pension asset of £0.236m.

#### Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2026

|   | 31/03/2026       | 31/03/2025       |
|---|------------------|------------------|
|   | £                | £                |
| Projected current cost                                    | 4,891,000        | 6,595,000        |
| Net Interest on the net defined benefit (asset) liability | (208,000)        | (179,000)        |
|   | <b>4,683,000</b> | <b>6,416,000</b> |

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the Group in the year to 31 March 2026 is £6,545,000.

## History of experience gains and losses

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

|  | 2024/25 | 2023/24 |
|--|---------|---------|
|  | %       | %       |
| Experience gains and (losses) on Assets      | -0.37%  | 4.50%   |
| Experience gains and (losses) on Liabilities | -20.94% | -3.72%  |

## e Basis for estimating assets and liabilities

Assets/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 Group's Fund assets have been assessed by Aon Hewitt Limited, an independent firm of actuaries, with estimates for the Council Fund being based on data pertaining to the latest full valuation of the scheme as at 31 March 2022.

Details for the assumptions regarding Council's scheme are laid out in note 21. The below assumptions are in relation to CODA only.

| Pension Scheme Assumptions   | 2024/25 | 2023/24 |
|--|---------|---------|
|  | %       | %       |
| Equity investments   | 40.2%   | 39.7%   |
| Bonds  | 19.0%   | 19.6%   |
| Property   | 10.0%   | 9.3%    |
| Multi Asset Credit   | 13.4%   | 13.0%   |
| Cash   | 11.4%   | 12.4%   |
| Other  | 6.0%    | 6.0%    |
| <b>Mortality assumptions:</b>  |         |         |
| <i>Longevity at 65 current pensioners:</i>                                   | Years   | Years   |
| Men  | 21.6    | 21.7    |
| Women  | 24.5    | 24.6    |
| <i>Longevity at 65 for future pensioners:</i>                                |         |         |
| Men  | 22.2    | 22.7    |
| Women  | 25.2    | 25.6    |
| Inflation/Pension Increase Rate  | 2.5%    | 2.6%    |
| Salary Increase Rate   | 4.0%    | 4.1%    |
| Discount Rate  | 5.8%    | 4.8%    |
| Pension accounts revaluation rate  | 2.5%    | 2.6%    |
| <b>Take-up of option to convert annual pension into retirement lump sum:</b> |         |         |
| Service to April 2009  | 80%     | 80%     |
| Service post April 2009  | 80%     | 80%     |

## Pension Assumptions Sensitivity Analysis

The pension figures disclosed in these group financial statements are the combined NILGOSC figures for Council and CODA and are sensitive to the assumptions used. Details for the assumptions regarding Council's scheme are laid out in note 21. The below assumptions are in relation to CODA only.

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

### Funded Pension Scheme Benefits

|   |            |            |
|---|------------|------------|
| <b>Discount Rate Assumption</b>                       |            |            |
| Adjustment to discount rate                           | +0.1% p.a. | -0.1% p.a. |
| Present value of the total obligation (£M)            | 8.004      | 8.280      |
| % change in the present value of the total obligation | -1.7%      | 1.7%       |
| Projected service cost (£M)                           | 0.179      | 0.193      |
| Approximate % change in projected service cost        | -3.5%      | 3.6%       |
| <b>Rate of General Increase in Salaries</b>           |            |            |
| Adjustment to salary increase rate                    | +0.1% p.a. | -0.1% p.a. |
| Present value of the total obligation (£M)            | 8.166      | 8.118      |
| % change in the present value of the total obligation | 0.3%       | -0.3%      |
| Projected service cost (£M)                           | 0.186      | 0.186      |
| Approximate % change in projected service cost        | 0%         | 0%         |

| <b>Rate of Increase to Pensions and Rate of Revaluation of Pension Accounts</b> |            |            |
|---|------------|------------|
| Adjustment to pension increase rate   | +0.1% p.a. | -0.1% p.a. |
| Present value of the total obligation (£M)                                      | 8.256      | 8.028      |
| % change in the present value of the total obligation                           | 1.4%       | -1.4%      |
| Projected service cost (£M)   | 0.193      | 0.179      |
| Approximate % change in projected service cost                                  | 3.6%       | -3.5%      |
| <b>Post Retirement Mortality Assumption</b>                                     |            |            |
| Adjustment to mortality age rating assumption*                                  | -1 year    | +1 year    |
| Present value of the total obligation (£M)                                      | 8.329      | 7.955      |
| % change in the present value of the total obligation                           | 2.3%       | -2.3%      |
| Projected service cost (£M)   | 0.192      | 0.180      |
| Approximate % change in projected service cost                                  | 3.4%       | -3.4%      |

\* 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 them.

## **f Major Categories of Plan Assets as Percentage of Total Plan Assets**

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

|                    | 2024/25        | 2023/24        |
|--------------------|----------------|----------------|
|                    | %              | %              |
| Equity investments | 40.20%         | 39.70%         |
| Government Bonds   | 15.40%         | 15.00%         |
| Corporate Bonds    | 3.60%          | 4.60%          |
| Multi Asset Credit | 13.40%         | 13.00%         |
| Property           | 10.00%         | 9.30%          |
| Cash               | 11.40%         | 12.40%         |
| Other              | 6.00%          | 6.00%          |
| <b>Total</b>       | <b>100.00%</b> | <b>100.00%</b> |

## **g Northern Ireland Civil Service Pension Arrangements**

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Department of Communities was unable to identify its share of the underlying assets and liabilities transferred to Council at 01 April 2015. The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2020 scheme valuation was completed by GAD in October 2023. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2024 to 31 March 2027.

For 2024/25, employers' contributions of £346,837 (2023/24 £315,908) were payable to the NICS pension arrangements at a standard rate of 34.25% of pensionable pay.

## **h Virgin Media Judgement**

In June 2023, the High Court handed down a decision (Virgin Media Limited v NTL Pension Trustees II Limited and others) which potentially has implications for the validity of amendments made by pension schemes, including the LGPS (NI), which were contracted out on a salary related basis between 6 April 1997 and the abolition of contracting-out in 2016. There currently remains uncertainty as it has not yet been confirmed whether the case will be subject to further appeal or whether the position will be impacted by the Department for Work and Pensions bringing forward changes in legislation, as well as any possible impact on the LGPS (NI). Given the uncertainty, Aon Hewitt have not made any allowance for the possible impact of the ruling as it is currently unclear whether any additional liabilities may arise, and if they were to arise, how they would be reliably measured.

## **i Goodwin Ruling**

In June 2020 an Employment Tribunal ruled, in relation to the Teachers' Pension Scheme, that provisions for survivor's benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership and that treatment amounts to direct discrimination on grounds of sexual orientation. The chief secretary to the Treasury announced in a written ministerial statement on 20 July 2020 that he believed changes would be required to other public service pension schemes with similar arrangements. Changes to NI regulations were made on 24 March 2022 and came into effect on 18 April 2022. NILGOSC have informed Aon Hewitt they have reviewed the potential impacted membership and have advised that at a fund level the impact will be immaterial. As a result, no allowance for the ruling has been made on within the pension calculations on the basis of materiality.

## **j Guaranteed Minimum Pension (GMP)**

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the state pension prior to 6 April 1997. At present there is an inequality of benefits between male and female members who have GMP. Although the Government intends that GMP should be equalised, at present it is not clear

how this equalisation will be implemented. In July 2014 the Government stated an intention to develop fully considered proposals and to publish guidance when this work is completed, but no target date was given. The impact of any liabilities relating to the Council is therefore uncertain and no provision has been made in these financial statements.

## 11 Group Other Cash Flow Disclosures

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

| Adjustment to surplus or deficit on the provision of services for noncash movements |              | 2024/25           | 2023/24          |
|---|--------------|-------------------|------------------|
|   | Notes        | £                 | £                |
| Depreciation  | Group Note 3 | 10,103,814        | 9,317,837        |
| Impairment & downward revaluations (& non-sale derecognitions)                      | Group Note 3 | (46,449)          | (98,146)         |
| (Increase)/Decrease in inventories  |              | 3                 | (27,608)         |
| (Increase)/Decrease in Debtors  |              | 3,859,526         | (2,769,286)      |
| Increase/(decrease) in impairment provision for bad debts                           |              | 128,514           | 101,807          |
| Increase/(Decrease) in Creditors  |              | (650,186)         | (2,385,489)      |
| Increase/(Decrease) in Interest Creditors   |              | (7,982)           | (15,825)         |
| Payments to NILGOSC   | Group Note 3 | 339,000           | 798,000          |
| Carrying amount of non-current assets sold  | Group Note 3 | 662,860           | 190,348          |
| Contributions to Other Reserves/Provisions  |              | 508,811           | (1,885,599)      |
| Amounts posted to CIES from Donated Assets Account                                  |              | (9,200)           | (281,000)        |
|   |              | <b>14,888,711</b> | <b>2,945,039</b> |

| Adjustment to items included in the net surplus or deficit on the provision of services that are investing and financing activities |              | 2024/25            | 2023/24            |
|---|--------------|--------------------|--------------------|
|   | Notes        | £                  | £                  |
| Proceeds from the sale of PP&E, investment property and intangible assets   | Group Note 5 | (601,700)          | (7,350)            |
| Capital grants included in "Taxation & non-specific grant income"   | Group Note 3 | (5,166,303)        | (4,328,754)        |
|   |              | <b>(5,768,003)</b> | <b>(4,336,104)</b> |

### b Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in bank and short term deposits and investments (considered to be cash equivalents), net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the Balance Sheet as follows

|  | 2024/25           | 2023/24           |
|--|-------------------|-------------------|
|  | £                 | £                 |
| Cash and Bank balances                                     | 5,299             | 2,339,113         |
| Short Term Deposits (considered to be Cash Equivalents)    | 27,821,430        | 10,475,695        |
| Short Term Investments (considered to be Cash Equivalents) | 9,000,000         | 8,000,000         |
|  | <b>36,826,729</b> | <b>20,814,808</b> |

### c Cash Flow Statement: Operating Activities

|   |              | 2024/25     | 2023/24     |
|---|--------------|-------------|-------------|
|   | Notes        | £           | £           |
| The cash flows from operating activities include: |              |             |             |
| Interest Received                                 | Group Note 6 | 1,217,030   | 582,179     |
| Interest Paid                                     | Group Note 6 | (1,675,419) | (1,791,722) |

### d Cash Flows from Investing Activities

|   |              | 2024/25        | 2023/24            |
|---|--------------|----------------|--------------------|
|   | Notes        | £              | £                  |
| Purchase of PP&E, investment property and intangible assets               |              | (11,884,217)   | (10,085,689)       |
| Proceeds from the sale of PP&E, investment property and intangible assets | Group Note 3 | 601,700        | 7,350              |
| Capital Grants and Contributions Received                                 |              | 11,736,973     | 6,232,981          |
| <b>Net Cash flows from Investing Activities</b>                           |              | <b>454,456</b> | <b>(3,845,358)</b> |

### e Cash Flows from Financing Activities

|  |       | 2024/25            | 2023/24            |
|--|-------|--------------------|--------------------|
|  | Notes | £                  | £                  |
| Cash Receipts from Short and Long Term Borrowing |       | 0                  | 641,345            |
| Repayment of Finance Lease                       |       | (264,792)          | (4,532)            |
| Repayment of Short and Long Term Borrowing       |       | (2,933,003)        | (3,097,617)        |
| <b>Net Cash flows from Financing Activities</b>  |       | <b>(3,197,795)</b> | <b>(2,460,804)</b> |

**12 Group Reserves**  
**a Usable Reserves**

| General Fund   | Notes        | 31/03/2025       | 31/03/2024       |
|--|--------------|------------------|------------------|
|  |              | £                | £                |
| At 1 April   |              | 7,633,215        | 7,146,078        |
| Applied Capital Grants   | Group Note 3 | (1,857,002)      | 4,903,461        |
| Unapplied Capital Grants received in year  | Group Note 3 | (3,318,501)      | (9,513,215)      |
| Direct Revenue Financing   | Group Note 3 | (2,165,035)      | (3,167,934)      |
| Depreciation and Impairment adjustment   | Group Note 3 | 10,057,365       | 9,219,691        |
| Statutory Provision for financing Capital Investment   | Group Note 3 | (3,782,900)      | (4,068,169)      |
| Net Revenue expenditure funded from capital under statute  | Group Note 3 | 1,527,098        | 4,499,584        |
| REFCUS - Government Grants and Other Contributions   | Group Note 3 | (813,853)        | (4,346,458)      |
| REFCUS - Direct Financing  | Group Note 3 | (713,245)        | (153,126)        |
| Surplus/(Deficit) on the Provision of Services   | Group CIES   | 9,634,552        | 1,866,005        |
| Transfers between Statutory and Other Reserves and the General Fund  | Group Note 3 | (9,162,175)      | 82,764           |
| Net movements on Pension Reserve   | Group Note 3 | 339,000          | 798,000          |
| Disposal of Fixed Assets/Capital Sales   | Group Note 3 | 61,160           | 182,998          |
| Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements | Group Note 3 | 70,560           | 183,536          |
| <b>At 31 March</b>   |              | <b>7,510,239</b> | <b>7,633,215</b> |

**b Unusable Reserves**

| Capital Adjustment Account   | Notes        | 31/03/2025         | 31/03/2024        |
|--|--------------|--------------------|-------------------|
|  |              | £                  | £                 |
| At 1 April   |              | 89,214,284         | 79,719,360        |
| Applied Capital Grants/ donated assets   | Group Note 3 | 1,857,002          | (4,903,461)       |
| Unapplied Capital Grants transferred to CAA in year  | 25b          | 9,282,172          | 12,086,485        |
| Direct Revenue Financing   | Group Note 3 | 2,165,035          | 3,167,934         |
| Depreciation & Impairment adjustment   | Group Note 3 | (10,057,365)       | (9,219,691)       |
| Statutory Provision for financing Capital Investment   | Group Note 3 | 3,782,900          | 4,068,169         |
| Net Revenue expenditure funded from Capital under statute  | Group Note 3 | (1,527,098)        | (4,499,584)       |
| REFCUS - Government Grants and Other Contributions   | Group Note 3 | 813,853            | 4,346,458         |
| REFCUS - Direct Financing  | Group Note 3 | 713,245            | 153,126           |
| Disposal of Fixed Assets/ Capital Sales  | Group Note 3 | (662,860)          | (190,348)         |
| Capital Receipts used to finance capital expenditure   | 4, 12, 25a   | 214,589            | 59,262            |
| Other Movements  | 26b          | 3,888,710          | 3,731,102         |
| Transfers between Capital Receipts / Capital Fund / Renewal & Repair Fund & CAA to finance capital expenditure | 12           | 870,666            | 695,472           |
| <b>At 31 March</b>   |              | <b>100,555,133</b> | <b>89,214,284</b> |

The Accounting Officer authorised these Financial Statements for issue on 22 September 2025.