

### **(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 2021 was £81,077 (31st March 2020: £110,432). The total outstanding for Chief Officers was £2,788 (31st March 2020: £7,581).

### **(D) Department of Communities (formerly known as the Department of Environment)**

Council receives an annual operating grant from the Department of Communities. During 2020/21 it received £7,245,949 (2019/20 £5,729,449), details of which are given in Note 10.

### **(E) Visit Derry (formerly known as Derry Visitor and Convention Bureau)**

Council is represented by 3 Councillors on the Board of Visit Derry, out of a total of 9 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 2020/2021 Council paid £552,000 (2019/20 £552,000) in Management Fees to Visit Derry. Council also paid £28,524 to Visit Derry during 2020/2021 (2019/20 £193,438) for Advertising, Marketing and Tourism Promotion and there was £68,227 outstanding to be paid at 31.03.2021. Visit Derry is situated in a Council owned building for which Council received £36,000 (2019/20 £36,000) from a lease arranged through the Land & Property Services, an independent body. 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 Directors. 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 2020/2021 Council paid £398,970 (2019/20 £531,960) in Management Fees to Derry Theatre Trust and there was £132,990 accrued to be paid at 31.03.2021. 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 £4,065 to the Trust during 2020/21 (2019/20: £5,645) for Joint Productions and initiatives.

### **(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 2020/2021 a sum of £48,971 (2019/20 £44,188) 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 Policing and Community Safety Partnership**

Council is represented by 10 Councillors on the Derry Policing and Community Safety Partnership, one of which acts as Chairperson. During 2020/2021 Council made no net contribution (2019/20: £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 2020/2021 (2019/20 £9,300).

#### **(I) Other Local Authorities**

During 2020/2021 the Council had expenditure of £163,268 (2019/20 £160,666) to other Local Authorities and £30,142 (Note 18) was outstanding at 31st March 2021 (31st March 2020: £21,256). The Council also received £671,360 (2019/20: £582,522) from other Local Authorities and £176,288 (Note 15) was outstanding as at 31st March 2021 (31st March 2020: £128,927). These amounts mainly relate to services provided in the areas of Legal, Environmental Health, North West Regional Waste Management Group administration and Property Certificate fee income.

#### **(J) City of Derry Airport (Operations) Limited**

With effect from 1st April 2010 the Council transferred the operation of City of Derry Airport to a new company, CODA (Operations) Limited, 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 2020/21 further operational assets in the value of £35,316 (2019/20: £133,501) were transferred to the company in exchange for shares with an issued value of £35,316 (2019/20: £133,501). The Infrastructure Assets have not yet been transferred to the company but are being operated by the company under Licence. Council also purchased additional shares during 2020/21 to the value of £3,531,979 which are also deemed to be of minimal value (2019/20: £2,480,000). 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 £2,039,589 (2019/20 £ 2,089,437). These costs have been fully funded, with 88% grant funding received from Department of Transport (UK) and 12% from Department for Economy (NI) during 2020/21.

During 2020/2021 the Council invoiced CODA (Operations) Limited for £22,184 for expenditure incurred on it's behalf (2019/20: £ 23,759) and also received invoices from the Company for £3,589,638 (2019/20: £2,717,110) mainly for the annual support subvention, of which £1.958M was received by Council in Government support. At 31 March 2021 £36,120 was owed to the company by Derry City and Strabane District Council (2019/20: £63,994) and £4,881 was receivable from the company (2019/2020 £14,906).

#### **(K) North West Region Waste Management Group 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 £154,919 (2019/20: £195,154). 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 2021. 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 2020/2021 (2019/20: £15,000). Council paid a sum of £74,124 to the Joint Committee as it's share of operating costs for 2020/2021 (2019/20: £63,585) and a further sum of £1,682 (2019/20: £7,628) towards costs incurred on behalf of a number of Councils.

As the Joint Committee uses Derry City and Strabane District Council to cashflow it's activities there was a balance owed to the Council as 31st March 2021 of £22,124 in relation to 2020/21 (31st March 2020: £3,405 in relation to 2019/20).

#### **(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 2021 had a sum of £208,352 in it's Bank Account and within Receipts in Advance which belonged to the Consortium (2019/20: £252,537). 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 set aside by both the ROI Government and Northern Ireland Executive to support the Initiative. 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 2021. The following expenditure has been incurred and reflected in cost of services:-

	2020/21	2019/20
	£	£
<b>Expenditure:-</b>		
<b>Administration:-</b>		
Salaries and Wages	93,146	91,827
Overheads	4,303	7,424
<b>Joint Project Expenditure:-</b>		
Foreign Direct Investment Support	68,000	76,000
Ireland North West Trade Missions	10,077	74,648
BREXIT analysis	-	9,740
Capacity Building	30,476	36,291
Harvard Graduate Research Study	-	44,337
Regional Energy Strategy	44,215	58,288
North West Greenways Support	154,185	239,516
NW Sports Development	42,218	127,859
Audience Development Programme	20,400	43,400
Global Export Support Programme	-	1,488
NW Climate Action Plan	53,173	14,159
Every Youth Counts Project	29,185	29,185
Colmcille 1500	12,024	-
<b>Total Expenditure:-</b>	<b>561,402</b>	<b>854,161</b>
<b>Income:-</b>		
NI Grant Funding	508,791	839,357
ROI Grant Funding	52,611	14,804
<b>Total Income</b>	<b>561,402</b>	<b>854,161</b>
<b>Net Expenditure Charged to Net Cost of Services</b>	<b>-</b>	<b>-</b>

The funds must be spent by 31 March 2022.

	2020/21	2019/20
	£	£
<b>Partnership Agreement Priorities/Theme:-</b>		
Regional Economic Growth and Investment	1,262,597	1,164,121
Regional Physical and Environmental Development	600,208	348,635
Regional Social and Community Cohesion and Wellbeing	279,754	196,326
Cross-cutting: Capacity Building, Collaborative Working and Planning for Balanced Regional Development	740,981	613,056
NI Grant Funding	2,043,326	1,533,582
ROI Grant Funding	840,214	788,556
<b>Total Grant Funding to 31 March 2021</b>	<b>2,883,540</b>	<b>2,322,138</b>

**Derry City and Strabane District Council**  
**Group Comprehensive Income and Expenditure Statement for the year ended 31 March 2021**

	2020/21			2019/20		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
Service Expenditure	£	£	£	£	£	£
Cross Cutting Support Services	6,756,055	(693,096)	6,062,959	7,975,462	(1,395,037)	6,580,425
Environment & Regeneration	37,288,266	(6,085,803)	31,202,463	34,354,749	(5,386,826)	28,967,923
Business & Culture	12,377,093	(5,698,753)	6,678,340	14,889,344	(5,597,583)	9,291,761
Health & Community	19,302,573	(7,501,961)	11,800,612	19,852,670	(5,993,349)	13,859,321
Council	1,134,885	-	1,134,885	1,609,983	(2,753)	1,607,230
City of Derry Airport	8,572,927	(5,230,330)	3,342,597	9,658,688	(4,844,016)	4,814,672
Other Corporate	2,382,674	(3,944,839)	(1,562,165)	2,747,075	(61,728)	2,685,347
<b>Cost of Services on Continuing Operations</b>	<b>87,814,473</b>	<b>(29,154,782)</b>	<b>58,659,691</b>	<b>91,087,971</b>	<b>(23,281,292)</b>	<b>67,806,679</b>
Other Operating Expenditure	57,967	(643,870)	(585,903)	949,685	(92,139)	857,546
Financing and Investment Income and Expenditure	3,341,958	(6,764)	3,335,194	3,283,904	(30,935)	3,252,969
<b>Net Operating Expenditure</b>	<b>91,214,398</b>	<b>(29,805,416)</b>	<b>61,408,982</b>	<b>95,321,560</b>	<b>(23,404,366)</b>	<b>71,917,194</b>
Taxation and Non-Specific Grant Income		(68,389,868)	(68,389,868)		(67,629,127)	(67,629,127)
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>91,214,398</b>	<b>(98,195,284)</b>	<b>(6,980,886)</b>	<b>95,321,560</b>	<b>(91,033,493)</b>	<b>4,288,067</b>
(Surplus)/Deficit on revaluation of non-current assets			(1,227,032)			(6,738,794)
Impairment losses on non-current assets charged to the Revaluation Reserve						
Remeasurements of the Net Defined Benefit Liability (Asset)			11,156,000			4,449,000
<b>Other Comprehensive Income and Expenditure</b>			<b>9,928,968</b>			<b>(2,289,794)</b>
<b>Total Comprehensive Income and Expenditure</b>			<b>2,948,082</b>			<b>1,998,273</b>

The figures above are prepared to two decimal places but rounding due to formatting may occur.

**Derry City and Strabane District Council**  
**Group Movement in Reserves Statement for the year ended 31 March 2021**

	General Fund Summary	Other Fund Balances and Reserves £	Capital Receipts Reserve £	Total Usable Reserves £	Total Unusable Reserves £	Total Council Reserves £
<b>Balance as at 31 March 2019</b>	<b>5,150,528</b>	<b>30,494,172</b>	<b>804,642</b>	<b>36,449,342</b>	<b>93,654,399</b>	<b>130,103,741</b>
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	(4,288,067)	-	-	(4,288,067)	-	(4,288,067)
Other Comprehensive Income and Expenditure	-	-	-	-	2,289,794	2,289,794
<b>Total Comprehensive Income and Expenditure</b>	<b>(4,288,067)</b>	<b>-</b>	<b>-</b>	<b>(4,288,067)</b>	<b>2,289,794</b>	<b>(1,998,273)</b>
Adjustments between accounting basis & funding under regulations	6,175,968	1,266,547	92,139	7,534,654	(7,509,205)	25,449
<b>Net increase before transfers to Statutory and Other Reserves</b>	<b>1,887,901</b>	<b>1,266,547</b>	<b>92,139</b>	<b>3,246,587</b>	<b>(5,219,410)</b>	<b>(1,972,823)</b>
Transfers to / from Statutory and Other Reserves	(1,971,667)	1,971,667	(25,449)	(25,449)	-	(25,449)
<b>Increase in year</b>	<b>(83,766)</b>	<b>3,238,214</b>	<b>66,690</b>	<b>3,221,138</b>	<b>(5,219,410)</b>	<b>(1,998,272)</b>
<b>Balance as at 31 March 2020</b>	<b>5,066,762</b>	<b>33,732,386</b>	<b>871,332</b>	<b>39,670,480</b>	<b>88,434,989</b>	<b>128,105,469</b>
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	6,980,886	-	-	6,980,886	-	6,980,886
Other Comprehensive Income and Expenditure	-	-	-	-	(9,928,964)	(9,928,964)
<b>Total Comprehensive Income and Expenditure</b>	<b>6,980,886</b>	<b>-</b>	<b>-</b>	<b>6,980,886</b>	<b>(9,928,964)</b>	<b>(2,948,078)</b>
Adjustments between accounting basis & funding under regulations	5,199,541	(1,995,329)	643,870	3,848,082	(3,773,432)	74,650
<b>Net increase before transfers to Statutory and Other Reserves</b>	<b>12,180,427</b>	<b>(1,995,329)</b>	<b>643,870</b>	<b>10,828,968</b>	<b>(13,702,396)</b>	<b>(2,873,428)</b>
Transfers to / from Statutory and Other Reserves	(11,862,975)	11,862,975	(74,650)	(74,650)	-	(74,650)
<b>Increase/ Decrease in year</b>	<b>317,452</b>	<b>9,867,646</b>	<b>569,220</b>	<b>10,754,318</b>	<b>(13,702,396)</b>	<b>(2,948,078)</b>
<b>Balance as at 31 March 2021</b>	<b>5,384,214</b>	<b>43,600,032</b>	<b>1,440,552</b>	<b>50,424,798</b>	<b>74,732,593</b>	<b>125,157,391</b>

**Derry City and Strabane District Council**  
**Group Balance Sheet as at 31 March 2021**

	Note	31st March 2021	31st March 2020
		£	£
Fixed Assets	Group Note 5	203,531,344	204,455,596
Long Term Debtors		12,053,538	15,438,305
<b>LONG TERM ASSETS</b>		<b>215,584,882</b>	<b>219,893,901</b>
Inventories		474,261	809,817
Short Term Debtors		16,716,941	16,298,798
Cash and Cash Equivalents	Group Note 7	27,937,629	10,729,192
Assets Held for Sale		1,450,000	1,150,000
<b>CURRENT ASSETS</b>		<b>46,578,831</b>	<b>28,987,807</b>
Short Term Borrowing		3,232,802	3,372,458
Short Term Creditors		15,604,000	13,040,527
Provisions		956,713	587,358
<b>CURRENT LIABILITIES</b>		<b>19,793,515</b>	<b>17,000,343</b>
Provisions		3,244,644	3,572,922
Long Term Borrowing		40,237,163	43,469,974
Other Long Term Liabilities	Group Note 6	73,731,000	56,733,000
<b>LONG TERM LIABILITIES</b>		<b>117,212,807</b>	<b>103,775,896</b>
<b>NET ASSETS</b>		<b>125,157,391</b>	<b>128,105,469</b>
<b>USABLE RESERVES</b>			
Capital Receipts Reserve	Group MIRS	1,440,552	871,332
Capital Grants Unapplied Account	Group MIRS	17,618,081	18,731,083
Capital Fund	Group MIRS	6,577,260	8,300,991
Renewal and Repairs Fund	Group MIRS	4,529,860	4,660,188
Other Balances and Reserves	Group MIRS	1,729,766	2,040,121
Financial Commitments & Contingencies Reserve	Group MIRS	13,145,065	-
General Fund	Group MIRS	5,384,214	5,066,767
		<b>50,424,798</b>	<b>39,670,482</b>
<b>UNUSABLE RESERVES</b>			
Capital Adjustment Account	Groups MIRS	68,368,649	62,762,878
Revaluation Reserve	Group MIRS	81,125,699	82,816,864
Pensions Reserve	Group MIRS	(73,731,000)	(56,733,000)
Accumulated Absences Account	Group MIRS	(1,030,755)	(411,755)
		<b>74,732,593</b>	<b>88,434,987</b>
<b>NET WORTH</b>		<b>125,157,391</b>	<b>128,105,469</b>

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**Derry City and Strabane District Council**  
**Group Cash Flow Statement as at 31 March 2021**

	Note	2020/21	2019/20
		£	£
Net Surplus/(Deficit) on the provision of services		6,980,886	(4,288,067)
Adjustment for non-cash movements	Group Note 7c	18,761,982	11,184,865
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	Group Note 7a	(2,648,340)	(5,593,242)
<b>Net cash flows from operating activities</b>		<b>23,094,528</b>	<b>1,303,556</b>
Cash flows from Investing Activities	Group Note 7c	(2,513,627)	(4,551,397)
Net Cash flows from Financing Activities	Group Note 7e	(3,372,464)	(3,391,717)
<b>Net increase or decrease in cash and cash equivalents</b>		<b>17,208,437</b>	<b>(6,639,558)</b>
Cash and cash equivalents at the beginning of the reporting period		10,729,192	17,368,750
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>27,937,629</b>	<b>10,729,192</b>

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**Group Accounts**

**1a**

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) Limited**

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.

The Fixed Assets which have been transferred from Council to CODA (Operations) Limited 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 (Operations) Limited during 2020/21 have been reflected in the Cost of Services and General Fund Balances. These losses have been mainly offset by the removal of the loss on investment incurred by the Council on the shares purchased during the financial year.

**1b Going Concern of Wholly Owned Subsidiary - CODA (Operations) Limited**

Derry City and Strabane District Council (DCSDC) provided operational subvention funding of £3.531m to the company during 2020-21.

The COVID19 Pandemic has had a significant impact on the operations of CODA Operations Ltd and the airlines which operate from CODA.

Funding of £98k was secured for CODA for the period April to June 2020 from the Northern Ireland Executive and Department for Transport to ensure that critical links to London were maintained during the COVID 19 emergency. As a result of this the PSO flight, operated by Loganair, from Derry to London Stansted continued to operate throughout the emergency period.

In close liaison with the Northern Ireland Executive and Department for Transport, further funding of £4.3m was secured in March 2021 to ensure continued 100% funding of the critical London PSO route from April 2021 to March 2023. Additional funding of £1.958m was secured from the Northern Ireland Executive to assist Council with the operational subvention for the period April 2020 to March 2021. The Government support received, in addition to Council's financial commitment to the airport, will ensure the sustainability of CODA until at least March 2023.

In line with the significant central Government support provided to Regional Airports throughout Europe, a medium term business plan has been approved by Council in March 2021 setting out the 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 has been submitted to Governments and formal engagement has

The financial implications to council should this funding not be secured are a potential write down of both airport assets, with a current value of approximately £43m (see note 11), and the associated revaluation reserve element of approximately £27m and it is also likely that Council would have to meet other associated costs.



Group Note 2

a Expenditure and Funding Analysis

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

	2020/21			2019/20		
	Net Expenditure Chargable to the General Fund	Adjustments between the Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargable to the General Fund	Adjustments between the Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£	£	£	£	£	£
Cross Cutting Support Services	5,369,618	(693,341)	6,062,959	5,921,735	(658,690)	6,580,425
Environment & Regeneration	26,135,353	(5,067,110)	31,202,463	24,351,638	(4,616,285)	28,967,923
Business & Culture	5,181,836	(1,496,504)	6,678,340	7,910,146	(1,381,615)	9,291,761
Health & Community	8,264,127	(3,536,485)	11,800,612	10,399,690	(3,459,631)	13,859,321
Council	1,141,468	6,583	1,134,885	1,182,926	(424,304)	1,607,230
<b>City of Derry Airport</b>	<b>2,347,707</b>	<b>(994,890)</b>	<b>3,342,597</b>	<b>3,823,097</b>	<b>(991,575)</b>	<b>4,814,672</b>
Capital Financing	7,985,264	7,985,264	-	4,813,330	4,813,330	-
Other Corporate	(2,488,904)	(926,739)	(1,562,165)	1,743,298	(942,049)	2,685,347
Transfers to/from Reserves & Provisions	11,861,452	11,861,452	-	2,065,929	2,065,929	-
<b>Net Cost of Services</b>	<b>65,797,921</b>	<b>7,138,230</b>	<b>58,659,691</b>	<b>62,211,789</b>	<b>(5,594,890)</b>	<b>67,806,679</b>
<b>Other Income and Expenditure</b>	<b>(66,385,398)</b>	<b>(744,821)</b>	<b>(65,640,577)</b>	<b>(62,128,024)</b>	<b>1,390,588</b>	<b>(63,518,612)</b>
<b>(Surplus) or Deficit for the year</b>	<b>(587,477)</b>	<b>6,393,409</b>	<b>(4,980,886)</b>	<b>83,765</b>	<b>(4,204,302)</b>	<b>4,288,067</b>
<b>Opening General Fund</b>	<b>5,066,767</b>			<b>5,150,532</b>		
<b>Surplus/ (Deficit) on General Fund Balance in Year</b>	<b>587,477</b>			<b>(83,765)</b>		
<b>Closing General Fund</b>	<b>5,654,244</b>			<b>5,066,767</b>		

The figures above are prepared to two decimal places but rounding due to formatting may occur.

Net expenditure charged to the general fund of £65,797,921 is effectively the 2020-21 net accrued cost of running the group that has to be funded by rates or from the existing surplus in the general fund.

This cost includes financing and investment income of £2,094,958. As this is not part of the "cost of services on continuing operations" in the Comprehensive Income and Expenditure Statement (CIES), in order to reconcile back to the net figure of £58,659,691 in the CIES, the £2,094,958 is reversed out in the "adjustments column" totalling £7,138,230.

The Airport is the only service head that has been charged its share of financing and investment income and expenditure. The remaining capital financing costs of £7,985,264 consist of loan interest and minimum revenue provision costs unallocated to service heads.

Group Note 2

b Note to the Expenditure and Funding Analysis

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

Adjustments between Funding and Accounting Basis

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 Differences	2020/21	
					€	€
Cross Cutting Support Services	(153,914)	(539,427)	-	-	(693,341)	
Environment & Regeneration	(3,245,177)	(1,723,455)	(98,478)	-	(5,067,110)	
Business & Culture	(920,872)	(575,632)	-	-	(1,496,504)	
Health & Community	(2,449,739)	(1,086,746)	-	-	(3,536,485)	
Council	(460)	(92,957)	-	100,000	6,583	
City of Derry Airport	(2,034,519)	(266,000)	-	1,305,429	(994,890)	
Capital Financing	-	-	-	7,985,264	7,985,264	
Other Corporate	-	(310,783)	(619,000)	3,044	(926,739)	
Transfers to/from Reserves & Provisions	-	-	-	11,861,452	11,861,452	
<b>Net Cost of Services</b>	<b>(8,804,681)</b>	<b>(4,595,000)</b>	<b>(717,478)</b>	<b>21,255,389</b>	<b>7,138,230</b>	
Other Income and Expenditure from the Expenditure and Funding Analysis	2,590,373	(1,247,000)	-	(2,088,194)	(744,821)	
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(6,214,308)	(5,842,000)	(717,478)	19,167,195	6,393,409	

Adjustments between Funding and Accounting Basis

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 Differences	2019/20	
					€	€
Cross Cutting Support Services	(154,232)	(504,458)	-	-	(658,690)	
Environment & Regeneration	(3,313,285)	(1,540,526)	237,526	-	(4,616,285)	
Business & Culture	(822,605)	(559,010)	-	-	(1,381,615)	
Health & Community	(2,340,984)	(1,118,647)	-	-	(3,459,631)	
Council	(6,157)	(86,359)	-	(331,788)	(424,304)	
City of Derry Airport	(1,998,204)	(199,000)	-	1,205,429	(991,575)	
Capital Financing	-	-	-	4,813,330	4,813,330	
Other Corporate	-	(914,000)	-	(28,049)	(942,049)	
Transfers to/from Reserves & Provisions	-	-	-	2,065,929	2,065,929	
<b>Net Cost of Services</b>	<b>(8,635,467)</b>	<b>(4,972,000)</b>	<b>237,526</b>	<b>7,725,051</b>	<b>(5,594,890)</b>	
Other Income and Expenditure from the Expenditure and Funding Analysis	4,443,557	(1,038,000)	-	(2,217,949)	1,310,588	
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(3,991,910)	(5,957,000)	237,526	5,507,082	(4,204,302)	

The figures above are prepared to two decimal places but rounding due to formatting may occur.

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 the Pension Adjustments

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

For services this represents the removal of the employer pension contributions made by the authority as permitted 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 Adjustments / Other Differences

Other Differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute. Other differences - adjusts for interest payable and receivable, write off in the value of COOA shares, Transfers to/from General Fund, Accumulated Absences, Revenue Contributions to Capital and Minimum Revenue Provision.

**Derry City and Strabane District Council**  
**Notes to the Group Financial Statements**  
**For the year ended 31 March 2021**

**Group Note 3**

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

Notes	2020/21		2019/20		
	£	£	£	£	
<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 5	(59,861)		(201,806)	
Depreciation charged in the year on non-current assets	Group Note 5	8,864,543	8,804,682	8,837,272	8,635,466
Carrying amount of non current assets sold	Group Note 5	57,967		949,685	
Proceeds from the sale of PP&E, investment property and intangible assets		(643,870)	(585,903)	(92,139)	857,546
Net charges made for retirement benefits in accordance with IAS 19	Group Note 6		11,328,000		12,381,000
Direct revenue financing of Capital Expenditure	12.25f.26a		(3,465,272)		(98,147)
Capital Grants and Donated Assets Receivable and Applied in year	10B		(1,441,238)		(960,308)
Capital Grants Receivable and Unapplied in year	10C		(833,256)		(4,540,795)
Revenue Expenditure Funded from Capital Under Statute (REFCUS)	12. 25f. 26a		2,534,858		549,347
REFCUS - Governments Grants and Other Contributions	12. 25f. 26a	(1,586,253)		(474,835)	
REFCUS - Direct Financing	12. 25f. 26a	(948,605)	(2,534,858)	(74,512)	(549,347)
Adjustments in relation to Short-term compensated absences	25f. 26d		619,000		
<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		(3,740,472)		(3,674,794)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	Group Note 6		(5,486,000)		(6,424,000)
			5,199,541		6,175,968

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

Notes	2020/21		2019/20	
	£	£	£	£
<b>Capital Fund</b>				
Transfer to General Fund		479,502		681,941
Transfer from General Fund		(2,041,898)		(1,706,892)
<b>Renewal and Repairs Fund</b>				
Transfer to General Fund		340,164		239,614
Transfer from General Fund		(1,526,020)		(808,126)
<b>Financial Commitments and Contingencies Reserve</b>				
Transfer from General Fund		(8,420,471)		
<b>Other Funds and earmarked reserves</b>				
Transfer to General Fund		483,327		1,399,145
Transfer from General Fund		(1,177,579)		(855,794)
			(11,862,975)	(1,971,667)

**Derry City and Strabane District Council**  
**Notes to the Group Financial Statements**  
**For the year ended 31 March 2021**

**Group Note 4**

4	Employee Costs and Member Allowances	2020/21	Restated 2019/20
a	Staff Costs	£	£
	Salaries and Wages *	29,541,800	30,624,067
	Employers NIC	2,760,700	2,823,627
	Employers Superannuation - NILGOSC	5,051,337	5,245,691
	Employers Superannuation - Civil Service	293,015	295,198
	<b>Total staff costs</b>	<b>37,646,852</b>	<b>38,988,583</b>

The Employer's superannuation figure in Note 4a above includes £328,523 for the capital costs incurred in respect of the Council's 2020-21 exit packages (2019-20 £685,193).

In addition, agency costs during the year amounted to £181,625 (2019-20 £388,655).

The Council's current contribution rate to NILGOSC scheme is 19.5% (2019-20 20%). At the last actuarial valuation, dated 31 March 2019, there was a surplus of £836.9M relative to the liabilities and a funding level of 112%. However since the valuation date the effect of measures being taken to limit the impact of the Covid19 pandemic on economic activity and asset valuations may mean that the fund is no longer in surplus by the time of the next valuation due as at 31 March 2022. As a result future contributions will remain under review and may be increased.

The Council incurred total costs (including superannuation capital costs details above) of £701,165 during 2020-21 (2019-20 £819,559) 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.

\* The 2019-20 Salaries and Wages figure has been restated to reflect actual Directors remuneration.

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

Average Number of Employees	2020/21	2019/20
	FTE	FTE
Full time numbers employed	813	865
Part time numbers employed	103	101
Other	121	119
<b>Total Number</b>	<b>1,037</b>	<b>1,085</b>

	2020/21	2019/20
	Actual Numbers	Actual Numbers
Full-time numbers employed	887	995
Part-time numbers employed	223	160
<b>Total Number</b>	<b>1,110</b>	<b>1,155</b>

c Senior Employees' Remuneration	2020/21	2019/20
	£	£
£50,001 to £60,000	3	3
£60,001 to £70,000	12	14
£70,001 to £80,000	2	-
£80,001 to £90,000	3	3
£110,001 to £120,000	1	1
<b>Total Number</b>	<b>21</b>	<b>21</b>

DERBY CITY AND STRABANE DISTRICT COUNCIL  
NOTES TO THE GROUP FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

5 a Long - Term Assets - Current Year

Cost or Valuation	Land	Buildings	Infrastructure Assets	Vehicles Plant & Equipment	Community Assets	FP&E Under Construction	Surplus Assets	Total FP&E	Heritage Assets	Investment Properties	Intangible Assets	TOTAL
<b>Balance as at 1 April 2020</b>	27,420,798	142,085,781	13,112,178	45,680,388	7,614,823	7,153,820	693,501	243,741,289	4,348,418	-	655,772	248,745,479
Adjustments between cost/value & depreciation/impairment	-	(5,940,525)	-	-	-	-	-	(5,940,525)	-	-	-	(5,940,525)
<b>Balance as at 1 April 2020</b>	27,420,798	136,125,256	13,112,178	45,680,388	7,614,823	7,153,820	693,501	237,800,764	4,348,418	-	655,772	242,804,950
Additions	3,000	(30,905)	5,649	684,243	-	5,919,378	142,000	6,723,345	-	-	-	6,723,345
Donations	48,000	-	-	-	-	-	240,000	288,000	-	-	-	288,000
Revaluation increases/ (decreases) to Revaluation Reserve	(47,700)	1,029,744	-	-	-	-	(80,042)	901,982	24,050	-	-	927,032
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	(14,100)	122,341	-	-	-	-	(48,386)	59,861	-	-	-	59,861
Derecognition - Disposals	(7,000)	(33,973)	-	(571,305)	-	-	-	(612,278)	-	-	-	(612,278)
Reclassifications & Transfers	(2,393,500)	1,713,442	188,693	1,596,798	-	(4,333,075)	3,227,442	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	25,009,498	138,926,105	13,306,520	47,390,124	7,614,823	8,740,123	4,174,501	245,161,694	4,373,468	-	655,772	250,190,934
Depreciation and Impairment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2020</b>	-	573,000	7,205,699	35,880,913	-	-	-	43,659,612	-	-	650,271	44,309,883
Adjustments between cost/value & depreciation/impairment	-	(5,940,525)	-	-	-	-	-	(5,940,525)	-	-	-	(5,940,525)
<b>Balance as at 1 April 2020</b>	-	(5,367,525)	7,205,699	35,880,913	-	-	-	37,699,087	-	-	650,271	38,349,358
Depreciation Charge	-	5,405,447	971,744	2,481,851	-	-	-	8,859,042	-	-	5,501	8,864,543
Derecognition - Disposals	-	-	-	(554,311)	-	-	-	(554,311)	-	-	-	(554,311)
<b>Balance as at 31 March 2021</b>	-	17,922	8,177,443	37,808,453	-	-	-	46,003,818	-	-	655,772	46,659,590
<b>Net Book Value</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	25,009,498	138,908,183	5,129,077	9,581,471	7,614,823	8,740,123	4,174,501	199,157,876	4,373,468	-	655,772	203,531,346

Valuations

A revaluation of Land, Buildings, Surplus Assets and Investment Properties was carried out by an independent valuer from Land and Property Services as at 31 March 2021. 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 19 for further information on revaluation and depreciation policies. The net revaluation gain/loss and impairments have been reflected in the above figures for 2020/21.

Valuations of Land and Buildings are carried out externally by Land and Property Services (LPS) in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS).

Whilst the COVID-19 pandemic continues to have a global impact LPS notes that, at the valuation date of 31 March 2021, property markets were mostly functioning again with transaction volumes and other relevant evidence of or returning to levels where an adequate quantum of market evidence existed upon which to base opinions of value.

Accordingly, for the majority of assets, LPS valuations are not reported as being subject to material valuation uncertainty as defined by VPS 3 and VPGA 10 of the RICS Valuation - Global Standards. LPS have identified a number of assets which continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence for LPS to base their judgement. The valuation of these assets are therefore reported as being subject to material valuation uncertainty as set out in VPS 3 and VPGA 10 of the RICS Valuation - Global Standards. Consequently, in respect of these valuations, less certainty and a higher degree of caution should be attached than would normally be the case.

However, LPS have advised that their material uncertainty clause does not mean that the valuations cannot be relied upon but ensures transparency and provides greater insight into the market context under which the valuation opinion was given. Heritage assets were revalued for insurance purposes by the independent valuer Our Johns Limited as at 31 March 2021.

Long Term Assets - Comparative Year	Land	Buildings	Infrastructure Assets	Vehicles Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PPE	Heritage Assets	Investment Properties	Intangible Assets	TOTAL
<b>Cost or Valuation</b>	£	£	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2019</b>	27,629,798	137,409,023	10,822,573	44,214,891	7,617,491	7,064,155	707,001	235,966,932	4,357,248	46,000	655,772	241,025,932
Adjustments between cost/value & depreciation/impairment	-	(5,207,908)	-	-	-	-	-	(5,207,908)	-	-	-	(5,207,908)
<b>Balance as at 1 April 2019</b>	27,629,798	132,201,115	10,822,573	44,214,891	7,617,491	7,064,155	707,001	230,759,024	4,357,248	46,000	655,772	235,818,044
<b>Additions</b>	40,000	133,194	-	2,018,015	-	6,377,097	(1,534)	8,566,771	-	-	-	8,566,771
<b>Donations</b>	12,000	-	-	-	-	-	-	12,000	-	-	-	12,000
<b>Revaluation increases/decreases to Revaluation Reserve</b>	103,100	6,642,989	-	-	-	-	1,535	6,747,624	(6,830)	-	-	6,738,794
<b>REVALUATION INCREASES/DECREASES TO Surplus or Deficit on the Provision of Services</b>	25,000	176,806	-	-	-	-	-	201,806	-	-	-	201,806
<b>Impairment to Surplus or Deficit on the Provision of Services</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Derecognition - Disposals</b>	-	(937,485)	-	(1,131,783)	(2,668)	-	-	(2,071,936)	-	-	-	(2,071,936)
<b>Reclassifications &amp; Transfers</b>	110,900	3,869,162	2,289,605	77,265	-	(6,287,432)	(13,500)	44,000	-	(44,000)	-	(500,000)
<b>Reclassified (to) / from (*) Held for Sale</b>	(500,000)	-	-	-	-	-	-	(500,000)	-	-	-	(500,000)
<b>Balance as at 31 March 2020</b>	27,420,798	147,055,781	13,112,178	45,680,368	7,614,823	7,153,820	693,501	243,761,289	4,348,418	-	655,772	248,765,479
<b>Depreciation and Impairment</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2019</b>	-	567,151	6,243,784	34,347,064	-	-	-	41,157,999	-	-	644,771	41,802,770
Adjustments between cost/value & depreciation/impairment	-	(5,207,908)	-	-	-	-	-	(5,207,908)	-	-	-	(5,207,908)
<b>Balance as at 31 March 2020</b>	-	(4,640,757)	6,243,784	34,347,064	-	-	-	35,950,091	-	-	644,771	36,594,882
<b>Depreciation Charge</b>	-	5,213,757	941,915	2,656,100	-	-	-	8,831,772	-	-	5,500	8,837,272
<b>Derecognition - Disposals</b>	-	-	-	(1,122,251)	-	-	-	(1,122,251)	-	-	-	(1,122,251)
<b>Balance as at 31 March 2020</b>	-	573,000	7,205,699	35,860,913	-	-	-	43,639,612	-	-	650,271	44,309,883
<b>Net Book Value</b>												
<b>Balance as at 31 March 2020</b>	27,420,798	141,512,781	5,906,479	9,799,475	7,614,823	7,153,820	693,501	200,101,677	4,348,418	-	5,501	204,055,596

**City of Derry Airport**

During 2020-21, the Council transferred operational plant and machinery assets at the Airport in the sum of £35,314,720 (£33,501) 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. A number of assets associated with the Airport have not yet been transferred by Council to the new Company.

The City of Derry Airport is a fully owned subsidiary of Council. The value of these assets in note 11, on a going concern basis are £5,291M of land and £37.819M of buildings with an associated total revaluation reserve on these assets of £26,998M. The COVID 19 Pandemic has had a significant impact on the operations of CODA Operations Ltd and the airlines which operate from CODA. Additional funding of £98k was secured for the period April to June 2020 from the Northern Ireland Executive and Department for Transport to ensure that critical links to London were maintained during the emergency. As a result of this the PSO flight, operated by Loganair, from Derry to London Stansted has continued to operate throughout the emergency period.

In close liaison with the Northern Ireland Executive and Department for Transport, further funding of £4.3m has been secured in March 2021 to ensure continued 100% funding of the critical London PSO route from April 2021 to March 2023. Additional funding of £1,958m was secured from the Northern Ireland Executive to assist Council with the operational subvention for the period April 2020 to March 2021. The Government support received, in addition to Council's financial commitment to the airport, will ensure the sustainability of CODA until at least March 2023.

In line with the significant central Government support provided to Regional Airports throughout Europe, a medium term business plan has been approved by Council in March 2021 setting out the 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 has been submitted to Governments and formal engagement has commenced. If issues regarding going concern crystallise this may result in a significant impairment to the current value of airport assets held by Council of £5,291M of land and £37.819M of buildings.

6 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:

	Note	2020/21 £	2019/20 £
<b>Net cost of services:</b>			
Current service cost		9,743,000	10,432,000
Past service cost/(gain)		306,000	914,000
Curtailment Cost		32,000	0
<b>Net operating expenditure:</b>			
Net interest on net defined benefit liability (asset)		1,247,000	1,035,000
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>		<b>11,328,000</b>	<b>12,381,000</b>
<b>Movement in Reserves Statement:</b>			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(11,328,000)	(12,381,000)
Employers' contributions payable to scheme		5,486,000	6,424,000
<b>Net adjustment to General Fund</b>		<b>(5,842,000)</b>	<b>(5,957,000)</b>

The service cost figures include an allowance for administration expenses of £0.131M.

Remeasurements recognised in Other Comprehensive Income and Expenditure			
	Note	2020/21 £	2019/20 £
Liability (losses)/gains due to change in assumptions		(49,152,000)	4,653,000
Liability gains due to changes in demographic assumptions		-	7,672,000
Liability experience losses arising in the year		(1,066,000)	(2,353,000)
Actuarial gains/(losses) on plan assets		39,062,000	(14,421,000)
<b>Total losses recognised in Other Comprehensive Income and Expenditure</b>		<b>(11,156,000)</b>	<b>(4,449,000)</b>

Assets and liabilities in relation to retirement benefits			
Reconciliation of present value of the scheme liabilities:			
	Note	2020/21 £	2019/20 £
Balance as at 1 April		233,778,000	230,982,000
Current service cost		9,743,000	10,432,000
Interest cost		5,335,000	5,506,000
Contributions by members		1,674,000	1,660,000
Remeasurement [gains] and losses:			
Actuarial gains/losses arising from changes in financial assumptions		49,152,000	(4,653,000)
Actuarial gains/losses arising from demographic changes		-	(7,672,000)
Actuarial gains/losses arising on liabilities from experience		1,066,000	2,353,000
Past service costs/(gains)		306,000	914,000
Curtailment cost		32,000	0
Estimated unfunded benefits paid		(112,000)	(111,000)
Estimated benefits paid		(5,727,000)	(5,633,000)
<b>Balance as at 31 March</b>		<b>295,247,000</b>	<b>233,778,000</b>

Reconciliation of present value of the scheme assets:			
	Note	2020/21 £	2019/20 £
Balance as at 1 April		177,045,000	184,655,000
Interest income		4,088,000	4,471,000
Contributions by members		1,674,000	1,660,000
Contributions by employer		5,374,000	6,313,000
Contributions in respect of unfunded benefits		112,000	111,000
Remeasurement gain/(loss)		39,062,000	(14,421,000)
Unfunded benefits paid		(112,000)	(111,000)
Benefits paid		(5,727,000)	(5,633,000)
<b>Balance as at 31 March</b>		<b>221,516,000</b>	<b>177,045,000</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 median real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was a gain of £43,150,000 (2019/20 Loss of £9,950,000).



Fair Value of Plan Assets	2020/21	2019/20
	£	£
Equity investments	102,561,908	75,421,170
Bonds	79,081,212	68,516,415
Property	19,714,924	17,704,500
Cash	11,740,348	8,321,115
Other	8,417,608	7,081,800
	221,516,000	177,045,000

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 2021 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 Liability (Included in the Balance Sheet):**

	2020/21	2019/20
	£	£
Fair Value of Employer Assets	221,516,000	177,045,000
Present value of funded defined benefit obligation	(293,433,000)	(232,003,000)
Pension asset/(liability) of Funded Scheme	(71,917,000)	(54,958,000)
Present Value of unfunded defined benefit obligation	(1,814,000)	(1,775,000)
<b>Net asset/(liability) arising from the defined benefit obligation</b>	<b>(73,731,000)</b>	<b>(56,733,000)</b>
Amount in the Balance sheet:		
Liabilities	(295,247,000)	(233,778,000)
Assets	221,516,000	177,045,000
<b>Net Asset/(Liability)</b>	<b>(73,731,000)</b>	<b>(56,733,000)</b>

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £73,731,000 has a substantial impact on the net worth of the Group as recorded in the Balance Sheet.

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

#### Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2022

	31/03/2022
	£
Projected current cost	13,808,000
Net Interest on the net defined benefit liability (asset)	1,492,000
	15,300,000.00

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 2022 is £5,361,000.

### History of experience gains and losses

The actuarial gains/losses identified as movements on the Pensions Reserve 2020/21 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2021.

	2020/21 %	2019/20 %
Experience gains and (losses) on Assets	17.63%	-8.15%
Experience gains and (losses) on Liabilities	-17.01%	4.27%

### Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The Group's Fund liabilities have been assessed by AON Hewitt Limited, an independent firm of actuaries, estimates for the Group Fund being based on data pertaining to the latest full valuation of the scheme as at 31 March 2019.

Pension scheme assumptions	2020/21 %	2019/20 %
Equity investments	46.3%	42.6%
Bonds	35.7%	38.7%
Property	8.9%	10.0%
Cash	5.3%	4.7%
Other	3.8%	4.0%
<b>Mortality assumptions:</b>		
<i>Longevity at 65 current pensioners:</i>	Years	Years
Men	21.9	21.8
Women	25.1	25.0
<i>Longevity at 45 for future pensioners:</i>		
Men	23.3	23.2
Women	26.5	26.4
Inflation/Pension Increase Rate	2.70%	2.00%
Salary Increase Rate	4.20%	3.50%
Discount Rate	2.10%	2.30%
Pension accounts revaluation rate	2.70%	2.00%
<b>Take-up of option to convert annual pension into retirement lump sum:</b>		
Service to April 2009	75%	75%
Service post April 2009	75%	75%

### Pension Assumptions Sensitivity Analysis

The pension figures disclosed above in these group financial statements are the combined NILGOSC figures for the Council and CODA and are sensitive to assumptions used. As regards pension assumption sensitivity analysis, details for the Council only scheme can be found at Note 21E. Below are the pension sensitivity analysis details in respect of CODA.

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	14,320	14,964
% change in the present value of the total obligation	-2.20%	2.20%
Projected service cost	0.528	0.561
Approximate % change in projected service cost	-3.00%	3.10%
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	14,730	14,554
% change in the present value of the total obligation	0.60%	-0.60%
Projected service cost	0.544	0.544
Approximate % change in projected service cost	0.00%	0.00%
Rate of Increase to Pensions In 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	14,876	14,408
% change in the present value of the total obligation	1.60%	-1.60%
Projected service cost	0.561	0.528
Approximate % change in projected service cost	3.10%	-3.00%
Post Retirement Mortality Assumption		
Adjustment to mortality age rating assumption*	- 1 Year	+1 Year
Present value of the total obligation	15,169	14,115
% change in the present value of the total obligation	3.60%	-3.60%
Projected service cost	0.566	0.522
Approximate % change in projected service cost	4.10%	-4.10%

\* 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.

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

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

	31/03/2021 %	31/03/2020 %
Equity investments	46.30%	42.60%
Government Bonds	23.60%	26.10%
Corporate Bonds	12.10%	12.60%
Property	8.90%	10.00%
Cash	5.30%	4.70%
Other	3.80%	4.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## 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 most up to date actuarial valuation was carried out as at 31/03/19. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowances Resource Accounts as at 31 March 2021.

## Allowance for the McCloud Judgement / GMP Indexation & equalisation / Goodwin Ruling

Retirement Benefits Note 21 includes an allowance for additional liabilities that are now probable arising from the McCloud Judgement and GMP Indexation and Equalisation cases outlined below.

### McCloud Judgement

In December 2018 the Court of Appeal ruled in the 'McCloud/Sargeant' judgement that the transitional protection arrangements put in place when the Firefighters' and Judges' pension schemes were reformed were age discriminatory. The Government applied to the Supreme Court for permission to appeal this judgement, however the Supreme Court rejected the request on 27.06.19. HM Treasury (HMT) ran a public consultation during the summer of 2020 to gather stakeholder views on the government's two final policy proposals. The consultation closed in October 2020 with the final approach being agreed as a 'deferred choice underpin'. This allows eligible members a choice at the point their benefits are paid of which pension scheme benefits they would prefer to take for the remedy period. The government is expected to introduce new legislation in mid 2021 and intends that the provision for the deferred choice underpin will be implemented by 1 October 2023.

While the judgement was not in relation to members with local Government Pension Scheme (NI) benefits, the UK Government announced in a written Ministerial Statement on 15 July 2019 "the government believes that the difference in treatment will need to be remedied across all main public service schemes".

At 31.03.19 an additional McCloud liability of Fund level was shown as a Post Service Cost over the accounting period. During 2019/20 the liability was calculated at Employer level (based on updated membership data provided for the 2019 valuation) with any change in the allowance over the period treated as an experience item through Other Comprehensive Income. At 31.03.20 the Current Service Cost also included a prospective allowance for McCloud liabilities of 3.2% of the Pensionable Pay over the accounting period. For 31.03.2021 the same approach has been adopted using a roll forward method based on last year's results.

### GMP Indexation and Equalisation

Guaranteed Minimum Pension (GMP) is a portion of pension that is payable to members who were contracted out of the State Second Pension and accrued benefits in the scheme between 6 April 1978 and 5 April 1997. The LGPS (NI) was contracted out.

The GMP was intended to approximately replace the State Pension which members were giving up, however the payment terms of GMP are different between men and women, which was a consequence of the state pension itself being unequal at that time.

On 26.10.18 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs is required.

At 31.03.2019 an estimated liability was used based on a typical Local Government pension fund in order to quantify the value of fully indexing GMPs in line with CPI inflation for those reaching State Pension age after 5 December 2018. This was calculated to be 0.3% of the liabilities / defined benefit obligation. During 2019/20 allowance has been made for full pension increases to be paid on GMPs to individuals reaching SPA after 6 April 2016 with any increase in the liability at 31.03.20 being charged through Other Comprehensive Income. For 31.03.2021 the same approach has been adopted using a roll forward approach based on last year's results.

In October 2020 a second ruling in the Lloyds case clarified that compensation would be required to members who transferred benefits out since May 1990. The government are considering if this judgement to equalise historic GMPs applies to all historic transfers made by all public service pension schemes including the LGPS. As the government have not yet acknowledged a liability or indicated an approach to rectify no allowance has been made for this at 31.03.2021.

### 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 the grounds of sexual orientation. It is expected the Goodwin judgement may add around 0.2% to the defined benefit obligation for a typical employer, however the impact will vary depending on the membership profile. Changes have yet to be reflected in the LGPS Regulations and no allowance has been made for this at 31.03.2021 on the grounds of materiality.

### Developments since the 31 March 2019 valuation

At the last actuarial valuation of the NILGOSC pension scheme, dated 31 March 2019, there was a surplus of £836.9M relative to the liabilities and a funding level of 112%. However since the valuation date the effect of measures being taken to limit the impact of the Covid19 pandemic on economic activity and asset valuations may mean that the fund is no longer in surplus by the time of the next valuation due as at 31 March 2022. Pension Contributions for 2021/22 and 2022/23 have been based on the valuation results as at 31 March 2019, as a result these pension contributions are subject to confirmation and may be increased in order to avoid a higher increase being required from 1 April 2023 if the funding level falls below its 31 March 2019 level.

**Derry City and Strabane District Council**  
**Notes to the Group Financial Statements**  
**For the year ended 31 March 2021**

**Group Note 7**

**Other cash flow disclosures**

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

Adjustment to surplus or deficit on the provision of services for non-cash movements	Notes	2020/21	2019/20
		£	£
Depreciation	Group Note 5	8,864,543	8,837,272
Impairment & downward revaluations (& non-sale derecognitions)	Group Note 5	(59,861)	(201,806)
Decrease/(Increase) in Stock		335,556	(304,675)
Decrease/(Increase) in Debtors		977,584	(1,566,264)
Increase in impairment provision for bad debts		121,738	61,127
Increase/(Decrease) in Creditors		2,319,485	(2,252,443)
Increase/(Decrease) in Interest Creditors		(26,106)	(20,699)
Payments to NILGO/C	Group Note 6	5,697,000	5,992,000
Carrying amount of non-current assets sold	Group Note 5	57,965	949,685
Contributions to Other Reserves/Provisions		186,078	(321,332)
Amounts posted to CIES from Donated Assets Account		288,000	12,000
		18,761,982	11,184,865

Adjust for items included in the Group net surplus or deficit on the provision of services that are investing and financing activities	Notes	2020/21	2019/20
		£	£
Proceeds from the sale of PP&E, investment property and intangible assets		(643,870)	(92,139)
Capital grants included in "Taxation & non-specific grant income"		(2,004,470)	(5,501,103)
		(2,648,340)	(5,593,242)

**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:

	2020/21	2019/20
	£	£
Cash and Bank balances	3,554,269	1,107,034
Short Term Deposits (considered to be Cash Equivalents)	14,383,360	9,622,158
Short Term Investments (considered to be Cash Equivalents)	10,000,000	-
	27,937,629	10,729,192

**c Cash Flow Statement: Operating Activities**

The cash flows from operating activities include:	2020/21	2019/20
	£	£
Interest received	6,764	30,935
Interest paid	(2,094,958)	(2,248,904)

**d Cash flows from Investing Activities**

	2020/21	2019/20
	£	£
Purchase of PP&E, investment property and intangible assets	(6,741,270)	(8,779,886)
Proceeds from the sale of PP&E, investment property and intangible assets	643,870	92,139
Capital Grants and Contributions Received	3,583,773	4,136,350
Net Cash flows from Investing Activities	(2,513,627)	(4,551,397)

**e Cash flows from Financing Activities**

	2020/21	2019/20
	£	£
Repayment of Short and Long Term Borrowing	(3,372,464)	(3,391,717)
Net Cash flows from financing Activities	(3,372,464)	(3,391,717)

**Date of Authorisation for Issue**

The Chief Financial Officer authorised the financial statements of Derry City and Strabane District Council and its group for the year ended 31 March 2021 on 28 September 2021.