

# **NORTH WEST REGION WASTE MANAGEMENT GROUP**

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2012**



**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Financial Statements**  
**for the year ended 31 March 2012**

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## **Explanatory Foreword**

### **Introduction**

The Joint Committee's financial performance for the year ended 31 March 2012 is as set out in the Comprehensive Income and Expenditure Statement and its financial position is as set out in the Balance Sheet and Cash Flow Statement.

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2011/12 (the Code) and the Department of the Environment Accounts Direction, Circular LG 10/12 dated 25 May 2012. It is the purpose of this foreword to explain, in an easily understandable way the financial facts in relation to the Joint Committee.

This Statement of Accounts explains the Joint Committee's finances during the financial year 2011/12 and its financial position at the end of that year. It follows approved accounting standards and is necessarily technical in parts.

### **Group Accounts**

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

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

This Statement, as set out on page 13, shows the movement in the year on the different reserves held by the Joint Committee, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and other reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Joint Committee's services, more details of which are shown in Comprehensive Income and Expenditure Statement. The 'Net increase /Decrease before transfers to earmarked reserves' line shows the Comprehensive Income and Expenditure Statement Balance before any discretionary transfers to or from statutory and other reserves undertaken by the Joint Committee.

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

This statement, as set out on page 14, shows the income earned and expenditure incurred during the year by the Joint Committee in accordance with generally accepted accounting practices.

### **The Balance Sheet**

The Balance Sheet, as set out on page 15, shows the value as at the Balance Sheet date of the Joint Committee's assets and liabilities. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held by the Joint Committee. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Joint Committee 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 Joint Committee is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

## **The Cash Flow Statement**

The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Committee during the reporting period. The statement shows how the Joint Committee 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 Joint Committee are funded by way of grant income and Council contributions, or from the recipients of services provided by the Joint Committee. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Joint Committee'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 Joint Committee.

## **Financial Report**

### *Background*

By way of background information, the North West Region Waste Management Group is a partnership of seven Councils who have agreed to collaborate in implementing the North West Regional Waste Management Plan, and seek to develop an integrated network of regional waste management facilities which would be cost effective for the public. To this end the member Councils have established an unincorporated Joint Committee under the Local Government Act (Northern Ireland) 1972 (as amended). Derry City Council has agreed to act as "Lead Council" for the signing of any eventual contract for final contract purposes, and the Partners of the Joint Committee will put in place back to back contracting arrangements as will be necessary to ensure that the "Lead Council" is suitably indemnified in its role as "Lead Council".

The seven participant Councils are as listed in Note 29 on Related Party Transactions. Each Council is represented by 2 Councillors on the Group, and Chief Executives and Technical Directors of the member Councils have rights of attendance at meetings of the Joint Committee, and act as advisors to the Group. The Group intends to utilise the above model for the delivery of the residual waste infrastructure project for the North West Region.

The financial administration is managed through the "Lead Council", Derry City Council, which provides support services to the Group as and when required. The Group does not have its own Bank Account, but operates under a dedicated Cost Centre within Derry City Council's financial system. Derry City Council recoups expenditure from member Councils on a quarterly basis in arrears and also invoices the Department of the Environment for grants due on expenditure. Staff working for the Group are employed by Derry City Council.

### *Financial Information*

The Joint Committee incurred expenditure of £976,922 during the financial year 2011/2012, all of which has been recouped either by way of grants from Central Government or from the seven participating Councils. The majority of this expenditure has been incurred on initial costs for developing a Waste Management Plan and the early stages of tendering for a Materials Recovery Facility for the Group.

There was no expenditure on Capital projects during 2011/2012.

### *Annual Governance Statement*

The Joint Committee of the North West Region Waste Management Group is an unincorporated Joint Committee under the Local Government Act (Northern Ireland) 1972 (as amended). As such, it operates as a dedicated Cost Centre within its lead Council, Derry City Council, and utilises the internal controls and procedures within the Council as part of its governance. Notwithstanding this, the Joint Committee has now put in place its own Governance Statement and procedures in line with the recommendation of the 2010/2011 Audit Report.

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

### **The Joint Committee's Responsibilities**

Under Section 54 of the Local Government Act (Northern Ireland) 1972 the Joint Committee shall make safe and efficient arrangements for the receipt of money paid to it and the issue of money payable by it, and those arrangements shall be carried out under the supervision of such officer of the Joint Committee as the Joint Committee designates as its Chief Financial Officer.

Under Regulation 5 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 the Joint Committee is required by resolution to approve the accounts.

These accounts were approved by the Joint Committee on 28th June 2012 and were subject to minor amendments as noted on page 63.

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

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

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

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

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

The Chief Financial Officer is also required to:

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

## **North West Region Waste Management Group Annual Governance Statement 2011 – 2012**

### **Scope of Responsibility**

The North West Region Waste Management Group Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiency and effectively. The Joint Committee also has a duty under Local Government (Best Value) Act (Northern Ireland) 2002 to make arrangements for continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the North West region Waste Management Group Joint Committee 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 North West Region Waste Management Group Joint Committee is required to prepare an Annual Governance Statement which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. This statement explains how the Joint Committee meets the requirements of Regulation 2A of the Local Government Accounts and Audit (Amendment) Regulations (Northern Ireland 2006) in relation to the publication of a statement on internal control.

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

The governance framework comprises the systems and processes, and culture and values, by which the Joint Committee is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the North West Region Waste Management Group Joint Committee 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 North West Region Waste Management Group Joint Committee'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 North West Region Waste Management Group Joint Committee for the year ended 31 March 2012 and up to the date of approval of the financial statement.

The North West Region Waste Management Group Joint Committee is pleased to report compliance with the requirements of the Annual Governance Statements for 2011/2012

### **The governance framework**

The key elements of the systems and processes that comprise the North West Region Waste Management Group Joint Committee governance arrangements are:

- identifying and communicating North West Region Waste Management Group Joint Committee's vision of its purpose and intended outcomes for citizens and service users.

The Joint Committee identifies and communicates the Joint Committee's vision of its purpose and intended outcomes for citizens and service users through the preparation and implementation of the North West Regional Waste Management Plan. A clear statement of the Joint Committee's purpose, vision and objectives are set out in this plan and Memorandum of Understanding, Rules and Procedures, Standing Orders and Supplemental Agreement which documents the Joint Committee's role, and working relations with its partner Councils in supporting the delivery of its strategic aims and objective. The achievement of these is monitored by the Joint Committee and by the Joint Committee's Risk and Audit Committee.

- Reviewing the North West Region Waste Management Group Joint Committee's vision and its implications for the North West Region Waste Management Group Joint Committee's governance arrangements. The Joint Committee will regularly review its vision and any implications for the Joint Committee's governance arrangements
- measuring the quality of services for users through the Citizen Satisfaction Survey, for ensuring they are delivered in accordance with the Joint Committee's objectives and for ensuring that they represent the best use of resources.

The Joint Committee seeks to measure the quality of services for users, for ensuring they are delivered in accordance with the Joint Committee's objectives and for ensuring that they represent the best use of resources. This is imbedded in the Joint Committee's governance arrangements. The Joint Committee has undertaken services reviews and is in regular consultation with officers from its partner Councils .

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

The Joint Committee has put in place the following policies and procedures in order to define appropriate standards of behaviour for members and staff: -

- The Joint Committee has a Risk and Audit committee, the procedures and regulations for its effective operation have been developed with reference to perceived best practice and CIPFA guidance and as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities. Audit 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 Joint Committee's financial and non-financial performance to the extent that it exposes it to risk and weakens the control environment. The Audit Committee was put in place in April 2012 and no meetings were held during the financial year ended 31 March 2012.
- developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff.  
  
Codes of Conduct exist in relation to Members through the generic Code of Northern Ireland Local Government Conduct. A councillor, by law, cannot take up office as a councillor unless they have confirmed in writing that they have read the Code and agree to abide by its terms. All employees have a Contract of Employment and all Contracts include a Code of Conduct, which must be followed.  
Job descriptions and job specifications have been developed for all Senior Manager roles, which clearly define and document the roles and responsibilities of officers
- reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks.

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within Derry City Council. In particular, the system includes: -

- Budgetary Control Procedures;
- Credit Control Procedures;
- Treasury Management Procedures;
- Procedure for the Purchase of Supplies & Services;
- Risk Management Strategy;
- Corporate and Budgetary Planning;
- Preparation of relevant regular financial reports; and
- Regular reviews of periodic and annual financial reports which indicate financial performance.

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

• The Joint Committee has a Risk and Audit committee, the procedures and regulations for its effective operation have been developed with reference to perceived best practice and CIPFA guidance and as identified in CIPFA's *Audit Committees – Practical Guidance for Local Authorities*. Audit 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 joint Committee's financial and non-financial performance to the extent that it exposes it to risk and weakens the control environment. The Audit Committee was set up in April 2012 and no meetings were held in the financial year ended 31 March 2012.

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

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within Derry City Council. In particular, the system includes: -

- Budgetary Control Procedures;      • Complying with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful is imbedded within the culture of the North West Region Waste Management Group Joint Committee. All officers are required to act with integrity and in accordance with the law and policy. Members, the Chief Executive and audit monitor operations to ensure compliance and to identify and correct any weaknesses in procedures.
- Credit Control Procedures;
- Treasury Management Procedures;
- Procedure for the Purchase of Supplies & Services;
- Risk Management Strategy;
- Corporate and Budgetary Planning;
- Preparation of relevant regular financial reports; and
- Regular reviews of periodic and annual financial reports which indicate financial performance.

- whistle-blowing and for receiving and investigating complaints from the public.

The Joint Committee operates a whistle blowing policy with clearly identified contacts for making complaints and this is communicated to staff and public.



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

The Group will identify the development needs of members and senior officers in relation to their strategic roles and will ensure that these are addressed through appropriate training.

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

Communication with all sections of the community, partner Councils and other stakeholders, ensuring accountability and encouraging open consultation is fundamental to the Joint Committee. To this end the North West Region Waste Management Group Joint Committee has provided a dedicated web site and also a quarterly news letter to promote the work of the Group to all stakeholders.

## **Review of Effectiveness**

The North West Region Waste Management Joint Committee has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the managers within the North West Region Waste Management Joint Committee who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other external reviews. In March 2012 the North West Region Waste Management Group Joint Committee initiated a review of its governance and this process is ongoing.

Describe the process that has been applied in maintaining and reviewing the effectiveness of the governance framework, including some comment on the role of:

The procedures applied in maintaining and reviewing the effectiveness of the governance framework included the following: -

- the Members  
The Joint Committee will meet on a monthly basis and provision has been made within the rules for additional special meetings as required.
- the senior officers  
Regular meetings are held with the Chief Executives of the member Councils. Director team meetings are held monthly.
- the Audit Committee / Overview and Scrutiny Committees / Risk Management Committee  
The Risk and Audit Committee will meet at least three times per year. The Audit Committee was set up in April 2012 and no meetings were held in the financial year ended 31 March 2012. The first meeting took place on 14 May 2012.
- Internal Audit  
Internal audit on-going throughout the year by Derry City Council. During 2011/12 a satisfactory Audit Report was received.
- other explicit review/assurance mechanisms  
External audit by NIAO. Gateway review process for major infrastructural development. Funding is audited by the sponsoring department, DOE.

North West Region Waste Management Group Joint Committee is currently involved in a review of its governance framework and the Joint Committee has undertaken to implement the results of this review and plan to address weaknesses and ensure continuous improvement of the system is in place.

## Significant Governance Issues

There are no significant governance issues that affect the North West Region Waste Management Group Joint Committee. All areas of concern identified as part of the audit process have been actioned as outlined in the management response to the audit report. Risk management is embedded across all of the activities of the Joint Committee and is a continuous and evolving process, which is monitored closely by the Risk and Audit Committee and Internal Audit. A risk Register is in place for the activity of the North West Region Waste Management Group Joint Committee. This is regularly reviewed to ensure that risk is adequately managed. Risk Management reports are presented to the Joint Committee and Risk and Audit Committee. In common with all Councils in Northern Ireland, there is a continuing risk that the Councils of the Group would incur fines for non-achievement of Waste Management targets. However, the Councils of the Group are continuing to take all appropriate measures to address this risk and to demonstrate that the Councils are making 'Best Endeavours' both individually and in collaboration with the NWRWVG to secure adequate waste treatment infrastructure facilities. External funding received through out the year is subject to independent audits from the relevant funders i.e. government departments.

We propose over the coming year to take steps 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.

## The Role of the Chief Financial Officer

The North West Region Waste Management Joint Committee has designated the City Treasurer of Derry City Council as the Chief Financial Officer under Section 54 of the Local Government Act (Northern Ireland) 1972. The Joint Committee complies 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 Framework.

The Chief Financial Officer is supported by suitably qualified and experienced staff within the Finance Department of Derry City Council. This ensures that the decisions made by the Chief Financial Officer are based on sound technical knowledge and understanding.

Signature Michael Ceyl  
Chairperson

Date 26<sup>th</sup> Oct. 2012

Signature Paula Doherty  
Clerk to the Committee

Date 26<sup>th</sup> October 2012


On behalf of the Joint Committee of the North West Region Waste Management Group.

## Certificate of the Chief Financial Officer

I certify that:

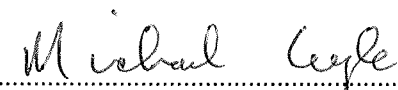
- (a) the Statement of Accounts for the year ended 31 March 2012 on pages 13 to 62 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 17 to 29.
- (b) in my opinion the Statement of Accounts gives a true and fair view of the financial position of the Joint Committee at the reporting date and of its expenditure and income for the year ending 31 March 2012.


  
.....  
**Chief Financial Officer**

  
.....  
**Date**

## Joint Committee Approval of Statement of Accounts

These accounts were approved by resolution of the Joint Committee on 28th June 2012 and were subject to minor amendments as noted on page 63..

  
.....  
**Chairman**

  
.....  
**Date**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH WEST REGION WASTE MANAGEMENT GROUP JOINT COMMITTEE**

I have audited the financial statements of the North West Region Waste Management Group Joint Committee for the year ended 31 March 2012 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out within them.

This report is made solely to the Members of the North West Region Waste Management Group Joint Committee in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities issued by the Chief Local Government Auditor.

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

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

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the North West Region Waste Management Group Joint Committee circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the North West Region Waste Management Group Joint Committee; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Statement of Accounts to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2011-12, of the financial position of North West Region Waste Management Group Joint Committee as at 31 March 2012 and its income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 and the Department of the Environment directions issued thereunder.

### **Opinion on other matters**

- In my opinion the information given in the Explanatory Foreword for the financial year ended 31 March 2012 is consistent with the financial statements.

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

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

- The Annual Governance Statement:
  - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2011-12;
  - does not comply with proper practices specified by the Department of the Environment;
  - is misleading or inconsistent with other information I am aware of from my audit; or
- adequate accounting records have not been kept; or
- the statement of accounts is not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit.

### **Certificate**

I certify that I have completed the audit of accounts of the North West Region Waste Management Group Joint Committee in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice issued by the Chief Local Government Auditor.



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

31 October 2012

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Movement in Reserves Statement**  
**For the current and comparative year**

	General Reserves	Statutory Reserves	Other Fund Balances & Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£	£	£	£	£	£	£
<b>At 1 April 2010</b>	0	0	0	0	0	0	0
<b>Movement in reserves during the year</b>							
Surplus or (deficit) on the provision of services	0	0	0	0	0	0	0
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0
<b>Total Comprehensive Income and Expenditure</b>	0	0	0	0	0	0	0
Adjustments between accounting basis & funding basis under regulations	0	0	0	0	0	0	0
<b>Net Increase/Decrease before Transfers to Earmarked Reserves</b>	0	0	0	0	0	0	0
Transfers to/from earmarked reserves	0	0	0	0	0	0	0
<b>Increase/Decrease in Year</b>	0	0	0	0	0	0	0
<b>At 31 March 2011</b>	0	0	0	0	0	0	0
<b>Movement in reserves during the year</b>							
Surplus or (deficit) on provision of services	0	0	0	0	0	0	0
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0
<b>Total Comprehensive Income and Expenditure</b>	0	0	0	0	0	0	0
Adjustments between accounting basis & funding basis under regulations	0	0	0	0	0	0	0
<b>Net Increase/Decrease before Transfers to Earmarked Reserves</b>	0	0	0	0	0	0	0
Transfers to/from earmarked reserves	0	0	0	0	0	0	0
<b>Increase/Decrease in Year</b>	0	0	0	0	0	0	0
<b>At 31 March 2012</b>	0	0	0	0	0	0	0

# NORTH WEST REGION WASTE MANAGEMENT GROUP

## Comprehensive Income and Expenditure Statement for the year ended 31 March 2012

	Notes	2011/12 £	2010/11 £
<b>INCOME</b>			
Participating Councils	29	160,783	88,412
Government Grant	9	816,139	739,818
Financing and Investment Income	8	0	0
Other Income	7	0	0
<b>TOTAL INCOME</b>		976,922	828,230
<b>EXPENDITURE</b>			
Employee Costs	6a	118,001	61,328
Financing and Investment Expenditure	8	0	0
Other Operating Costs	7	858,921	766,902
Other Costs		0	0
<b>TOTAL EXPENDITURE</b>		976,922	828,230
<b>SURPLUS / (DEFICIT) ON CONTINUING OPERATIONS</b>		0	0
Surplus/(Deficit) on Discontinued Operations		0	0
<b>SURPLUS / (DEFICIT) ON THE PROVISION OF SERVICES</b>		0	0
Surplus/(Deficit) on revaluation of non-current assets	10a/10b	0	0
Surplus/(Deficit) arising on revaluation of available-for-sale financial assets	25a/25b	0	0
Actuarial gains/(losses) on pension assets/liabilities		0	0
<b>Other Comprehensive Income and Expenditure</b>		0	0
<b>TOTAL COMPREHENSIVE INCOME AND EXPENDITURE</b>		0	0

**NORTH WEST REGION WASTE MANAGEMENT  
GROUP**  
Balance Sheet As At 31 March 2012

	Notes	2011/12 £	2010/11 £
Property Plant & Equipment (PP&E)	10a/10b	0	0
Land & Buildings	10a/10b	0	0
Infrastructure Assets	10a/10b	0	0
Landfill Site	10a/10b	0	0
Vehicles, Plant, Furniture and Equipment	10a/10b	0	0
Community Assets	10a/10b	0	0
PP&E under Construction	10a/10b	0	0
Heritage Assets		0	0
Surplus Assets	10a/10b	0	0
Investment Properties	10a/10b	0	0
Intangible Assets	10a/10b	0	0
Assets Held for Sale	10d	0	0
Long Term Investments	15a	0	0
Investment in Associates and Joint Ventures		0	0
Long Term Debtors	14a	0	0
<b>LONG TERM ASSETS</b>		<b>0</b>	<b>0</b>
Short Term Investments	15b/24a	0	0
Inventories	13	0	0
Short Term Debtors	14b	270,557	393,409
Cash and Cash Equivalents	24b	0	0
Assets Held for Sale	10d	0	0
<b>CURRENT ASSETS</b>		<b>270,557</b>	<b>393,409</b>
Bank Overdraft		0	0
Short Term Borrowing	16a	0	0
Short Term Creditors	17a	270,557	393,409
Provisions	18	0	0
Liabilities in Disposal Groups		0	0
<b>CURRENT LIABILITIES</b>		<b>270,557</b>	<b>393,409</b>
Long Term Creditors	17b	0	0
Provisions	18	0	0
Long Term Borrowing	16b	0	0
Other Long Term Liabilities	5,20	0	0
Donated Assets Account	21	0	0
Capital Grants Receipts in Advance	22	0	0
<b>LONG TERM LIABILITIES</b>		<b>0</b>	<b>0</b>
<b>NET ASSETS</b>		<b>0</b>	<b>0</b>
<b>USABLE RESERVES</b>	25a/25b	0	0
Capital Receipts Reserve	CRR 25a/25b	0	0
Capital Grants Unapplied Account	Other 25a/25b	0	0
Capital Fund	Statutory 25a/25b	0	0
Renewal and Repairs Fund	Statutory 25a/25b	0	0
Other Balances and Reserves	Other 25a/25b	0	0
General Reserves	Gen Res 25a/25b	0	0
<b>UNUSABLE RESERVES</b>	25a/25b	0	0
Capital Adjustment Account	25a/25b	0	0
Financial Instruments Adjustment Account	25a/25b	0	0
Revaluation Reserve	25a/25b	0	0
Available for Sale Financial Instruments Reserve	25a/25b	0	0
Pensions Reserve	25a/25b	0	0
Capital Receipts Deferred Account	25a/25b	0	0
Accumulated Absences Account	25a/25b	0	0
<b>NET WORTH</b>		<b>0</b>	<b>0</b>
Difference		0	0
<b>CHANGE IN NET WORTH</b>			0



**NORTH WEST REGION WASTE MANAGEMENT  
GROUP**

**Cash Flow Statement at 31 March 2012**

	Notes	2011/12 £	2010/11 £
<b>Net surplus / (deficit) on the provision of services</b>		0	0
Adjustment to surplus or deficit on the provision of services for noncash movements		0	0
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		0	0
		<hr/>	<hr/>
<b>Net cash flows from operating activities</b>	<b>24a), 24c)</b>	<b>0</b>	<b>0</b>
<b>Net Cash flows from Investing Activities</b>	<b>24d)</b>	<b>0</b>	<b>0</b>
<b>Net Cash flows from Financing Activities</b>	<b>24e)</b>	<b>0</b>	<b>0</b>
<b>Net increase or decrease in cash and cash equivalents</b>		<b>0</b>	<b>0</b>
Cash and cash equivalents at the beginning of the reporting period		0	0
<b>Cash and cash equivalents at the end of the reporting period</b>		<hr/> <b>0</b> <hr/>	<hr/> <b>0</b> <hr/>

## **NORTH WEST REGION WASTE MANAGEMENT GROUP**

### **Notes to the Financial Statements**

#### **1A Accounting Policies**

##### **General Principles**

The Statement of Accounts summarises the Joint Committee's transactions for the 2011/12 financial year and its position at the year-end of 31 March 2012. The Joint Committee is required to prepare an annual Statement of Accounts in a form directed by the Department of the Environment in accordance with regulations 4 (1) and (2) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2011/12 and the CIPFA Service Reporting Code Of Practice 2011/12, 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 2011/12 also requires disclosure in respect of:

##### **Summary of Significant Accounting Policies**

##### **i) Accruals of Income and Expenditure**

- Revenue from the sale of goods is recognised when the Joint Committee transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- Revenue from the provision of services is recognised when the Joint Committee can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

##### **ii) Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in [specified period, no more than three months] or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Joint Committee's cash management. Bank overdrafts are shown within current liabilities on the balance sheet.

### iii) Contingent Assets

A contingent asset arises where an event has taken place that gives the Joint Committee 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 Joint Committee. 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 Joint Committee 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 Joint Committee. 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) Discontinued Operations

There were no discontinued operations during the year.

### vi) Employee Benefits

**Short-term employee benefits** payable during employment, such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, are recognised as an expense in the year in which employees render service to the Joint Committee. No accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end and which employees can carry forward into the next financial year as the Employees are deemed to be employees of Derry City Council (See Note 26 (m)).

#### Termination benefits

Termination benefits are amounts payable as a result of a decision by the Joint Committee to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis in the Comprehensive Income and Expenditure Statement when the Joint Committee is demonstrably committed to the termination of the employment of an officer or group of officers.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Reserves balance to be charged with the amount payable by the Joint Committee 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 Joint Committee are members of the NILGOSC Pension Fund. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Joint Committee. Because the Employees are employed by Derry City Council the scheme is effectively treated as a Defined Contribution Scheme by the Joint Committee as the share of Pension Assets/Liabilities and Service Costs/Gains is deemed to lie with Derry City Council.

### vii) Events After the Balance Sheet Date

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

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

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

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

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

#### **viii) 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 Joint Committee's financial performance.

#### **ix) 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 Joint Committee's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

#### **x) Financial Instruments**

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

##### **Financial Liabilities**

Amortised Cost

##### **Financial Assets**

Loans and Receivables  
Available for Sale

Financial liabilities are recognised on the Balance Sheet when the Joint Committee 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 Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

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

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

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

#### Financial Assets

Financial assets are classified into two types:

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

#### Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the Joint Committee becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are then measured at their amortised cost. Annual credits to the Financing and Investment Income 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.

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

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

### Available-for-Sale Assets

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

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

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

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

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Expenditure line in the Comprehensive Income and Expenditure Statement. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

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

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

### **xi) Foreign Currency Translation**

Where the Joint Committee 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 Comprehensive Income and Expenditure Statement.

### **xii) Government Grants and Contributions**

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

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

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to Government 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 Reserves 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.

### **xiii) Intangible Assets**

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Joint Committee 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 Joint Committee.

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 Joint Committee will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase (research expenditure is not capitalised).

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

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Joint Committee can be determined by reference to an active market. In practice, no intangible asset held by the Joint Committee 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 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 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 Reserves Balance. The gains and losses are therefore reversed out of the General Reserves Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

### **xiv) Inventories & Long Term Contracts**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the *weighted average* costing formula.

Long Term contracts are accounted for on the basis of charging the surplus or deficit on the provision of services with the value of works and services received under the contract during the financial year.

#### **xv) Investment Property**

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

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

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

#### **xvi) Leases**

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

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

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

##### The Joint Committee as Lessee

###### *Finance Lease:*

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

Lease payments are apportioned between:

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



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

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

#### *Operating Leases:*

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

#### The Joint Committee as Lessor

##### *Finance Leases*

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

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease asset (long term debtor) together with any premiums received, and
- finance income (credited to the Financing and Investment Income 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 Reserves Balance and will be required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Reserves 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 Reserves Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are paid, the element for the charge for the acquisition of the interest in the property is used to write down the lease asset (debtor). At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

##### *Operating Leases*

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

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

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

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

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

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

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

The written-off value of disposals is not a charge against General Reserves, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Reserves 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 Joint Committee and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

### Measurement

Assets are initially measured at cost, comprising:  
- the purchase price

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

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

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

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to 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 Reserves Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

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

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

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

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

#### Impairment

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

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

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

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

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

#### Depreciation

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

Depreciation is calculated on the following bases:

- vehicles, plant and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer
- infrastructure – straight-line allocation over 25 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.

The Joint Committee does not carry any Heritage Assets.

### **xx) Provisions**

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

Provisions are charged as an expense in the Comprehensive Income and Expenditure Statement in the year that the Joint Committee 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 Joint Committee settles the obligation.

#### **xxi) Reserves**

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

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

#### **xxii) Charges to Revenue for Non-Current Assets**

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

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

Depreciation, impairment losses and amortisations are replaced by [revenue provision] in the General Reserves Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

#### **xxiii) Value Added Tax**

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

### **1B Accounting Standards That Have Been Issued but Have Not Yet Been Adopted**

The amendments to IFRS 7-Financial Instruments: Disclosures (transfers of financial assets, issued October 2010), are intended to assist users of the financial statements to evaluate the risk exposures that relate to transfers of financial assets and the effect of those risks on the authority's financial position. Appropriate disclosure could be relevant in circumstances where an authority retains ownership of a financial asset but contracts to reassign or otherwise pay over the cash flows generated by the instrument, at the same time as retaining substantially all the risks and rewards of ownership.

At present, the Joint Committee does not contract to transfer any financial assets in this manner and considers the effect of this standard to be immaterial.

## **1C Critical Judgements in Applying Accounting Policies**

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

- There is a degree of uncertainty about future levels of government funding. However, the Joint Committee has determined that this uncertainty is not yet sufficient to provide an indication that the work of the Joint Committee might be hindered as a result of a reduction in funding from Central Government.

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**2a Segmental Reporting Analysis - Current Year**

The Joint Committee does not have any Segmental Reporting requirement at this stage.

[Comparative disclosures are reported in Note 2b]

**Segmental Analysis**

Income/Expenditure	2011/12		
	Residual Waste Project	Other Waste Strategy Work	Total
	£	£	£
Income from participating Councils	0	(160,783)	(160,783)
Government grants and contributions	(804,364)	(11,775)	(816,139)
Fees, charges and other service income	0	0	0
Interest and investment income	0	0	0
Surplus or deficit on associates and joint ventures	0	0	0
<b>Total Income</b>	<b>(804,364)</b>	<b>(172,558)</b>	<b>(976,922)</b>
Employee expenses	78,800	129,776	208,576
Other service expenses	725,564	27,782	753,346
Support service recharges	0	15,000	15,000
Depreciation, amortisation and impairment	0	0	0
Interest payments	0	0	0
<b>Total Expenditure</b>	<b>804,364</b>	<b>172,558</b>	<b>976,922</b>
<b>Other items</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CONTINUING OPERATIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Reconciliation to Surplus / (Deficit) on the Provision of Services in the Comprehensive Income and Expenditure Statement**

This reconciliation shows how the figures in the analysis of segmental income and expenditure relate to the amounts included in the Comprehensive

	£	£	£
<b>Not Income/(Expenditure) in Segmental Analysis</b>			0
<b>Items excluded from Segmental Analysis:</b>			
Add amounts not reported in Segmental Analysis but included in Surplus/(Deficit) on Continuing Operations in the Comprehensive Income and Expenditure Statement	0		
Remove amounts reported in Segmental Analysis but not included in Surplus/(Deficit) on Continuing Operations in the Comprehensive Income and Expenditure Statement	0		
			0
<b>Surplus / (Deficit) on Continuing Operations in Comprehensive Income and Expenditure Statement</b>			0
<b>Items included in Surplus / (Deficit) on Provision of Services excluded from Segmental Analysis:</b>			
Surplus or Deficit on Discontinued Operations			0
<b>Surplus/(Deficit) for the year per Comprehensive Income and Expenditure Statement</b>			0

**Reconciliation to Subjective Analysis**

Segmental Analysis	Additional segments not included in the analysis	Amounts not included in Segmental Analysis but included in the Comprehensive Income and Expenditure Statement	Amounts included in Segmental Analysis but not included in the Comprehensive Income and Expenditure Statement	Allocation of Support Service Recharges
£	£	£	£	£
Income from participating Councils	(160,783)	0	0	0
Government grants and contributions	(816,139)	0	0	0
Fees, charges and other service income	0	0	0	0
Interest and investment income	0	0	0	0
Surplus or deficit on associates and joint ventures	0	0	0	0
<b>Total Income</b>	<b>(976,922)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employee expenses	208,576	0	0	0
Other service expenses	753,346	0	0	0
Support service recharges	15,000	0	0	0
Depreciation, amortisation and impairment	0	0	0	0
Interest payments	0	0	0	0
<b>Total Expenditure</b>	<b>976,922</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Surplus or deficit on the provision of services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**NORTH WEST REGION WASTE  
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**2b Segmental Reporting Analysis - Comparative Year**

The Joint Committee does not have any Segmental Reporting requirements at this stage.

**Segmental Analysis**

Income/Expenditure	2010/11		
	Residual Waste Project	Other Waste Strategy Work	Total
	£	£	£
Income from participating Councils	0	(88,412)	(88,412)
Government grants and contributions	(739,818)	0	(739,818)
Fees, charges and other service income	0	0	0
Interest and investment income	0	0	0
Surplus or deficit on associates and joint ventures	0	0	0
<b>Total Income</b>	<b>(739,818)</b>	<b>(88,412)</b>	<b>(828,230)</b>
Employee expenses	0	61,328	61,328
Other service expenses	739,818	12,084	751,902
Support service recharges	0	15,000	15,000
Depreciation, amortisation and impairment	0	0	0
Interest payments	0	0	0
<b>Total Expenditure</b>	<b>739,818</b>	<b>88,412</b>	<b>828,230</b>
<b>Other items</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CONTINUING OPERATIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Reconciliation to Surplus / (Deficit) on the Provision of Services in the Comprehensive Income and Expenditure Statement**

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

	£	£
<b>Net Income/(Expenditure) in Segmental Analysis</b>		<b>0</b>
<b>Items excluded from Segmental Analysis:</b>		
Add amounts not reported in Segmental Analysis but included in Surplus/(Deficit) on Continuing Operations in the Comprehensive Income and Expenditure Statement	0	
Remove amounts reported in Segmental Analysis but not included in Surplus/(Deficit) on Continuing Operations in the Comprehensive Income and Expenditure Statement	0	0
<b>Surplus / (Deficit) on Continuing Operations in Comprehensive Income and Expenditure Statement</b>		<b>0</b>
<b>Items included in Surplus / (Deficit) on Provision of Services excluded from Segmental Analysis:</b>		
Surplus or Deficit on Discontinued Operations		0
<b>Surplus/(Deficit) for the year per Comprehensive Income and Expenditure Statement</b>		<b>0</b>

**Reconciliation to Subjective Analysis**

Segmental Analysis	Additional segments not included in the analysis	Amounts not included in Segmental Analysis but included in the Comprehensive Income and Expenditure Statement	Amounts included in Segmental Analysis but not included in the Comprehensive Income and Expenditure Statement	Allocation of Support Service Recharges
£	£	£	£	£
Income from participating Councils	(88,412)	0	0	0
Government grants and contributions	(739,818)	0	0	0
Fees, charges and other service income	0	0	0	0
Interest and investment income	0	0	0	0
Surplus or deficit on associates and joint ventures	0	0	0	0
<b>Total Income</b>	<b>(828,230)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employee expenses	61,328	0	0	0
Other service expenses	751,902	0	0	0
Support service recharges	15,000	0	0	0
Depreciation, amortisation and impairment	0	0	0	0
Interest payments	0	0	0	0
<b>Total Expenditure</b>	<b>828,230</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Surplus or deficit on the provision of services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
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**3a Adjustments between accounting basis and funding basis under regulations**

	<i>Notes</i>	2011/12 £	2011/12 £	2010/11 £	2010/11 £
<b>Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Reserves Balance for the year:</b>					
Impairments (losses & reversals) of non-current assets	<b>10a/10b</b>	0		0	
Derecognition (other than disposal) of non-current assets	<b>10a/10b</b>	0		0	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	<b>10a/10b</b>	0		0	
Depreciation charged in the year on non-current assets	<b>10a/10b, 23</b>	0	0	0	0
Net Revenue expenditure funded from capital under statute			0		0
Carrying amount of non current assets sold		0		0	
Proceeds from the sale of PP&E, investment property and intangible assets	<b>23, 25</b>	0	0	0	0
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	<b>25</b>		0		0
Net charges made for retirement benefits in accordance with IAS 19	<b>20</b>		0		0
Direct revenue financing of Capital Expenditure	<b>11, 25</b>		0		0
Capital Grants and Donated Assets Receivable and Applied in year	<b>8b</b>		0		0
Capital Grants Receivable and Unapplied in year	<b>8c</b>		0		0
Adjustments in relation to Short-term compensated absences	<b>17</b>		0		0
Adjustments in relation to Lessor Arrangements			0		0
<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 Reserves Balance for the year</b>					
Loans/Lease principal repayments during the year	<b>25a/25b</b>		0		0
Employers contributions payable to the NILGOSC Pension Scheme and retirement benefits payable direct to pensioners	<b>20a</b>		0		0
			0		0

**3b Net transfers (to)/from earmarked reserves:**

		2011/12 £	2011/12 £	2010/11 £	2010/11 £
<b>Capital Fund</b>					
Interest		0		0	
Other	<b>25a/25b</b>	0	0	0	0
<b>Renewal and Repairs Fund</b>					
Interest		0		0	
Other	<b>25a/25b</b>	0	0	0	0
<b>Other Funds and earmarked reserves</b>					
Interest		0		0	
Other	<b>25a/25b</b>	0	0	0	0
			0		0

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
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**Operating Income and Expenditure**

**4 External Audit Fees**

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

	<b>2011/12</b>	<b>2010/11</b>
	<b>£</b>	<b>£</b>
External Audit Fees	6,936	5,000
Grant Claim Certification Fees	0	0
Other Fees	0	0
	<b>6,936</b>	<b>5,000</b>

There were no other fees payable in respect of any other services provided by the appointed auditor over and above those described above (2010/11 £NIL).

The above fees include an estimate for 2011/12 Audit Fees and an adjustment that was required to the 2011/11 Fees.

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Notes to the Financial Statements**  
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**Operating Income and Expenditure (Continued)**

**5 Operating and Finance Leases**

**Joint Committee as Lessor:**

**5a Finance Leases (Joint Committee as lessor)**

The Joint Committee does not have any Finance Leases as a Lessor.

	2012	2011
	£	£
<b>Long Term Debtors</b>		
Finance leases-gross receivables	0	0
Less-Unearned finance income	0	0
Less-Unguaranteed residual value of property	0	0
<b>Net present value</b>	<b>0</b>	<b>0</b>

<b>Short Term Debtors</b>		
Finance leases-gross receivables	0	0
Less-Unearned finance income	0	0
Less-Unguaranteed residual value of property	0	0
<b>Net present value</b>	<b>0</b>	<b>0</b>

<b>Gross receivables from finance leases</b>		
No later than 1 year	0	0
Later than 1 year and no later than 5 years	0	0
Later than 5 years	0	0
<b>Total gross receivables</b>	<b>0</b>	<b>0</b>
Less-Unearned future finance income on finance leases	0	0
Less-Unguaranteed residual value of property	0	0
<b>Net investment in finance leases</b>	<b>0</b>	<b>0</b>

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

	2012	2011
	£	£
No later than 1 year	0	0
Later than 1 year and no later than 5 years	0	0
Later than 5 years	0	0
<b>Total gross receivables</b>	<b>0</b>	<b>0</b>

**5b Operating Leases (Joint Committee as lessor)**

The Joint Committee does not have any Operating Leases as a Lessor.

	2012		2011	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
<b>Minimum lease rentals receivable:</b>				
No later than 1 year	0	0	0	0
Later than 1 year and no later than 5 years	0	0	0	0
Later than 5 years	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	2012		2011	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Cost	0	0	0	0
Accumulated depreciation and impairments at 1 April	0	0	0	0
Depreciation charge for the year	0	0	0	0
Impairments	0	0	0	0
	0	0	0	0

#### Joint Committee as Lessee:

#### 5c Finance Leases (Joint Committee as lessee)

The Joint Committee does not have any Finance Leases as a lessee.

	Within 1 year	1 to 5 years	After 5 years	Total
	£	£	£	£
<b>2011/12</b>				
Finance leases payments	0	0	0	0
Less: finance charges	0	0	0	0
<b>Net present value</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2010/11</b>				
Finance leases payments	0	0	0	0
Less: finance charges	0	0	0	0
<b>Net present value</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2009/10</b>				
Finance leases payments	0	0	0	0
Less: finance charges	0	0	0	0
<b>Net present value</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Included in the Balance Sheet as:

	2012	2011	2010
	£	£	£
Current liabilities	0	0	0
Long term liabilities	0	0	0
	0	0	0

#### 5d Operating Leases (Joint Committee as lessee)

The Joint Committee does not have any Operating Leases as a lessee.

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

	2011/12		2010/11	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease payments	0	0	0	0
Contingent rentals	0	0	0	0
Less: Sublease payments receivable	0	0	0	0
	0	0	0	0

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

	2012		2011	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease rentals payable:				
No later than 1 year	0	0	0	0
Later than 1 year and no later than 5 years	0	0	0	0
Later than 5 years	0	0	0	0
	0	0	0	0

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
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**Operating Income and Expenditure (Continued)**

**6 Employee Costs and Members' Allowances**

**6a Staff Costs**

	2011/12	2010/11
	£	£
Salaries and wages	93,509	50,501
Employers National Insurance	16,832	7,096
Employers pension costs	7,660	3,731
	<b>118,001</b>	<b>61,328</b>

In addition, agency costs during the year amounted to £0 (2010/11 £0).

The Joint Committee's current contribution rate to the NILGOSC Pension Fund is 18%. At the last actuarial valuation, dated 31 March 2010, the Fund's assets as a whole were sufficient to meet 82% (2007: 89%) of the liabilities accrued up to that date.

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

	2011/12	2010/11
	FTE	FTE
Environmental services	0	0
Leisure services	0	0
Other	3	2.2
	<b>3</b>	<b>2.2</b>
	Actual Numbers	Actual Numbers
Full-time numbers employed	3	2
Part-time numbers employed	0	1
	<b>3</b>	<b>3</b>

There are also 2 employees of the Strategic Investment Board (1 Full-time and 1 Part-time) who have been involved in the management of the work of the Joint Committee during 2011/12. They are being paid by the SIB and their costs of £90,574 are included in the operating costs for 2011/12, matched by income, 50% of which has been paid by the DOE to the SIB and the remaining 50% is being covered by the SIB.

**6c Senior Employees' Remuneration**

	2011/12	2010/11
	£	£
£50,001 to £60,000	1	0
£60,001 to £70,000	0	0
£70,001 to £80,000	0	0
£80,001 to £90,000	0	0
	<b>1</b>	<b>0</b>

**6d Members' Allowances**

During the year Members' allowances (paid under Sections 12 and 36 of the Local Government Act (NI) 1972), including Employer's costs, totalled £0 (2010/11 £0) and are as follows:

	2011/12	2010/11
	£	£
Salaries	0	0
Basic allowance	0	0
Dependents' carers allowance	0	0
Employer costs	0	0
Mileage	0	0
Conferences and Courses	0	0
Travel Costs	0	0
Subsistence	0	0
Special responsibility allowances	0	0
Miscellaneous	0	0
Travel	0	0
	<b>0</b>	<b>0</b>

6e Exit Packages

During the year the Committee did not agree any exit packages.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2012	2011	2012	2011	2012	2011	2012	2011
£0 to £20,000	0	0	0	0	0	0	0	0
£20,001 to £40,000	0	0	0	0	0	0	0	0
£40,001 to £60,000	0	0	0	0	0	0	0	0
£60,001 to £80,000	0	0	0	0	0	0	0	0
£80,001 to £100,000	0	0	0	0	0	0	0	0
£100,001 to £150,000	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
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**7 Other Operating Income and Expenditure**

	2011/12 £	2010/11 £
Surplus/Deficit on Non-Current Assets	0	0
Other Operating Income	0	0
Other Operating Expenditure	858,921	766,902

**8 Financing and Investment Income and Expenditure**

	2011/12			2010/11		
	Gross Expenditure	Gross Income	Net Cost	Gross Expenditure	Gross Income	Net Cost
	£	£	£	£	£	£
Interest Payable and Similar Charges	0	0	0	0	0	0
Interest and Investment Income	0	0	0	0	0	0
Pensions interest cost and expected return on pensions assets	0	0	0	0	0	0
Surplus/(Deficit) on trading operations	0	0	0	0	0	0
Changes in Fair Value of Investment Properties	0	0	0	0	0	0
Other investment income	0	0	0	0	0	0
	0	0	0	0	0	0

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Notes to the Financial Statements**  
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**9 Government Grants**

	2011/12 £	2010/11 £
Revenue Grants	816,139	739,818
Capital Grants and Contributions	0	0
<b>Government Grants</b>	<b>816,139</b>	<b>739,818</b>



**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
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**10a Non Current Assets Note - Current Year**

	Property, Plant & Equipment (PP&E)											
	Land	Buildings	Infrastructure Assets	Landfill Site	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Investment Properties	Intangible Assets	TOTAL
	£	£	£	£	£	£	£	£	£	£		£
Cost or Valuation												
At 1 April 2011	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	0	0	0	0	0	0	0	0	0	0	0	0
Additions (Note 11)	0	0	0	0	0	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation increases/decreases to Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0
Derecognition - Disposals	0	0	0	0	0	0	0	0	0	0	0	0
Derecognition - Other	0	0	0	0	0	0	0	0	0	0	0	0
Reclassifications & Transfers	0	0	0	0	0	0	0	0	0	0	0	0
Reclassified to Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0
Reclassified from Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0
Adjustment-Landfill Deferred Charge (Note 18)	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2012	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation and Impairment												
At 1 April 2011	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation Charge	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation written out on Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0
Derecognition - Disposals	0	0	0	0	0	0	0	0	0	0	0	0
Derecognition - Other	0	0	0	0	0	0	0	0	0	0	0	0
Reclassifications & Transfers	0	0	0	0	0	0	0	0	0	0	0	0
Eliminated on reclassification to Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2012	0	0	0	0	0	0	0	0	0	0	0	0
Net Book Value												
At 31 March 2012	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2011	0	0	0	0	0	0	0	0	0	0	0	0

The North West Region Waste Management Group does not have any Fixed Assets.

NORTH WEST REGION WASTE MANAGEMENT GROUP  
Notes to the Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2012

10b Non Current Assets Note - Comparative Year

Property, Plant & Equipment (PP&E)												
Land	Buildings	Infrastructure Assets	Landfill Site	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Investment Properties	Intangible Assets	TOTAL	
£	£	£	£	£	£	£	£	£	£		£	
Cost or Valuation												
At 1 April 2010	0	0	0	0	0	0	0	0	0	0	0	
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	
Adjusted opening balance	0	0	0	0	0	0	0	0	0	0	0	
Additions (Note 11)	0	0	0	0	0	0	0	0	0	0	0	
Donations	0	0	0	0	0	0	0	0	0	0	0	
Revaluation increases/decreases to Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	
Derecognition - Disposals	0	0	0	0	0	0	0	0	0	0	0	
Derecognition - Other	0	0	0	0	0	0	0	0	0	0	0	
Reclassifications & Transfers	0	0	0	0	0	0	0	0	0	0	0	
Reclassified to Held for Sale	0	0	0	0	0	0	0	0	0	0	0	
Reclassified from Held for Sale	0	0	0	0	0	0	0	0	0	0	0	
Adjustment-Landfill Deferred Charge (Note 18)	0	0	0	0	0	0	0	0	0	0	0	
At 31 March 2011	0	0	0	0	0	0	0	0	0	0	0	
Depreciation and Impairment												
At 1 April 2010	0	0	0	0	0	0	0	0	0	0	0	
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	
Adjusted opening balance	0	0	0	0	0	0	0	0	0	0	0	
Depreciation Charge	0	0	0	0	0	0	0	0	0	0	0	
Depreciation written out on Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	
Impairment losses/reversals to Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	
Derecognition - Disposals	0	0	0	0	0	0	0	0	0	0	0	
Derecognition - Other	0	0	0	0	0	0	0	0	0	0	0	
Reclassifications & Transfers	0	0	0	0	0	0	0	0	0	0	0	
Eliminated on reclassification to Held for Sale	0	0	0	0	0	0	0	0	0	0	0	
At 31 March 2011	0	0	0	0	0	0	0	0	0	0	0	
Net Book Value												
At 31 March 2011	0	0	0	0	0	0	0	0	0	0	0	
At 31 March 2010	0	0	0	0	0	0	0	0	0	0	0	

The North West Region Waste Management Group does not have any Fixed Assets.

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Notes to the Financial Statements**  
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**10c. Non Current Assets - Leased Assets**  
**At 31 March 2012**

<u>LEASED ASSETS (included within vehicles, plant and equipment)</u>	<b>Vehicles £</b>	<b>Equipment £</b>	<b>TOTAL £</b>
<b>Cost or Valuation</b>			
At 1 April 2011	0	0	0
Additions	0	0	0
Disposals	0	0	0
At 31 March 2012	0	0	0
<b>Depreciation</b>			
At 1 April 2011	0	0	0
Disposals	0	0	0
Provided for year	0	0	0
At 31 March 2012	0	0	0
<b>Net Book Value</b>			
At 31 March 2012	0	0	0
At 31 March 2011	0	0	0

**Comparative Year**

<u>LEASED ASSETS (included within vehicles, plant and equipment)</u>	<b>Vehicles £</b>	<b>Equipment £</b>	<b>TOTAL £</b>
<b>Cost or Valuation</b>			
At 1 April 2010	0	0	0
Additions	0	0	0
Disposals	0	0	0
At 31 March 2011	0	0	0
<b>Depreciation</b>			
At 1 April 2010	0	0	0
Disposals	0	0	0
Provided for year	0	0	0
At 31 March 2011	0	0	0
<b>Net Book Value</b>			
At 31 March 2011	0	0	0
At 31 March 2010	0	0	0

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Notes to the Financial Statements**  
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**10d Assets Held for Sale**

At 31 March 2012	Assets Held for Sale-Current	Assets Held for Sale-Non- current	TOTAL
	£		£
<b>Cost or Valuation</b>			
At 1 April 2011	0	0	0
Transferred from Non-Current Assets during year	0	0	0
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	0	0	0
Derecognition - Disposals	0	0	0
Derecognition - Other	0	0	0
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	0	0	0
Transferred to Property, Plant & Equipment during year	0	0	0
<b>At 31 March 2012</b>	0	0	0
<b>Impairment</b>			
At 1 April 2011	0	0	0
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	0	0	0
Derecognition - Disposals	0	0	0
Derecognition - Other	0	0	0
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	0	0	0
Transferred to Property, Plant & Equipment during year	0	0	0
<b>At 31 March 2012</b>	0	0	0
<b>Net Book Value</b>			
<b>At 31 March 2012</b>	0	0	0
<b>At 31 March 2011</b>	0	0	0

The Joint Committee does not have any Assets that can be classed as held for sale.

**Comparative Year**

At 31 March 2011	Assets Held for Sale-Current	Assets Held for Sale-Non- current	TOTAL
	£		£
<b>Cost or Valuation</b>			
At 1 April 2010	0	0	0
Transferred from Non-Current Assets during year	0	0	0
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	0	0	0
Derecognition - Disposals	0	0	0
Derecognition - Other	0	0	0
Transferred to Property, Plant & Equipment during year	0	0	0
<b>At 31 March 2011</b>	0	0	0
<b>Impairment</b>			
At 1 April 2010	0	0	0
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	0	0	0
Derecognition - Disposals	0	0	0
Derecognition - Other	0	0	0
Transferred to Property, Plant & Equipment during year	0	0	0
<b>At 31 March 2011</b>	0	0	0
<b>Net Book Value</b>			
<b>At 31 March 2011</b>	0	0	0
<b>At 31 March 2010</b>	0	0	0

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**10e Investment Properties**

The Joint Committee does not hold any Investment Properties.

	<b>2011/12</b>	<b>2010/11</b>
	<b>£</b>	<b>£</b>
Rental income from investment property	0	0
Direct operating expenses arising from investment property	0	0
Net gain/(loss)	<b>0</b>	<b>0</b>

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**11. Capital Expenditure**

	Note	2011/12	2010/11	2009/10
		£	£	£
<b>Expenditure</b>				
Capital expenditure	10a/10b	0	0	0
<b>Financed By</b>				
Borrowings:				
Loans		0	0	0
Finance leases / hire purchase		0	0	0
Grants receivable	9	0	0	0
Capital receipts	25	0	0	0
Transfer from Capital Fund	25	0	0	0
Transfer from Repairs and Renewals	25	0	0	0
Revenue contributions to capital	3,25	0	0	0
		0	0	0
Surplus/(Deficit)		0	0	0
Balance brought forward		0	0	0
<b>Balance carried forward</b>		0	0	0

**12 Future Capital Commitments**

The Joint Committee does not have any ongoing programme of capital works.

	Gross Cost	Grant Aid	Net Cost
	£	£	£
Schemes underway	0	0	0
Other Commitments	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**13 Inventories**

	2011/12	2010/11	2009/10
	£	£	£
Central Stores	0	0	0
Other	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

Apart from some items of stationery and computer consumables, which are charged to the Comprehensive Income & Expenditure Account, the Joint Committee does not carry any Stock.

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**14 Debtors**

	<b>2011/12</b>	<b>2010/11</b>
	<b>£</b>	<b>£</b>
<b>14a) Long Term Debtors</b>		
Government Departments	0	0
Councils	0	0
Public corporations and trading funds	0	0
Grants	0	0
Loans and advances	0	0
Trade receivables	0	0
Other	0	0
<b>Total Long-Term Debtors</b>	<b>0</b>	<b>0</b>
<b>14b) Short Term Debtors</b>		
Government Departments	218,849	372,618
Councils	51,708	20,791
Public corporations and trading funds	0	0
Grants	0	0
Value Added Tax	0	0
Prepayments	0	0
Other	0	0
Trade receivables	0	0
Impairment loss - Trade receivables	0	0
<b>Total Short-Term Debtors</b>	<b>270,557</b>	<b>393,409</b>
<b>Total Debtors</b>	<b>270,557</b>	<b>393,409</b>

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**15a Long-Term Investments**

	2011/12	2010/11
	£	£
Investments - general	0	0
Investments - repairs and renewals	0	0
Investments - capital fund	0	0
Investments - other	0	0
<b>Total Long-term Investments</b>	<b>0</b>	<b>0</b>

Analysed over:

	2011/12	2010/11
	£	£
Money market deposits	0	0
Other deposits	0	0
<b>Total Long-term Investments</b>	<b>0</b>	<b>0</b>

**15b Short-Term Investments**

	2011/12	2010/11
	£	£
Investments - general	0	0
Investments - repairs and renewals	0	0
Investments - capital fund	0	0
Investments - other	0	0
<b>Total Short-term Investments</b>	<b>0</b>	<b>0</b>

Analysed over:

	2011/12	2010/11
	£	£
Money market deposits	0	0
Other deposits	0	0
<b>Total Short-term Investments</b>	<b>0</b>	<b>0</b>

<b>Total Long Term and Short-term Investments</b>	<b>0</b>	<b>0</b>
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**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**16 a Short Term Borrowing**

	2011/12	2010/11
	£	£
Loans re-payable within one year	0	0
Finance Lease Principal	0	0
<b>Total Short Term Borrowing</b>	<b>0</b>	<b>0</b>

**16 b Long Term Borrowing**

	2011/12	2010/11
	£	£
Between 1 and 2 years	0	0
Between 2 and 5 years	0	0
Between 5 and 10 years	0	0
In more than 10 years	0	0
Government Loans Fund	0	0

<b>Total Borrowing</b>	<b>0</b>	<b>0</b>
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**17 a Short Term Creditors**

	2011/12	2010/11
	£	£
Government Departments	0	0
Councils	96,839	270,901
Public corporations and trading funds	0	0
Remuneration due to employees	0	0
Accumulated Absences	0	0
Receipts in advance	0	0
Trade creditors	173,718	122,508
Other	0	0
<b>Total Short Term Creditors</b>	<b>270,557</b>	<b>393,409</b>

**17 b Long Term Creditors**

	2011/12	2010/11
	£	£
<b>Other creditors falling due after more than one year</b>		
Government Departments	0	0
Councils	0	0
Public corporations and trading funds	0	0
Other	0	0
<b>Total Long Term Creditors</b>	<b>0</b>	<b>0</b>

<b>Total Creditors</b>	<b>270,557</b>	<b>393,409</b>
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**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**18 Provisions**

The Joint Committee does not have any provisions.

	At 1 April 2011	Increase in provision during year	Utilised during year	Interest earned	At 31 March 2012
	£	£	£	£	£
	0	0	0	0	0
	0	0	0	0	0

Current Provisions	0	0	0	0	0
Long Term Provisions	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Comparative Year**

	At 1 April 2010	Increase in provision during year	Utilised during year	Interest earned	At 31 March 2011
	£	£	£	£	£
	0	0	0	0	0
	0	0	0	0	0

Current Provisions	0	0	0		0
Long Term Provisions	0	0	0		0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**19 Financial Instruments**

The Joint Committee has no material exposure to any of the risk types identified

**Credit Risk**

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Joint Committee's customers. Customers are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Joint Committee. The provision for bad and doubtful debts reflects the Joint Committee'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	£264,102
Three to six months	£0
Six months to one year	£6,455
More than one year	£0
	<b>£270,557</b>

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

**Liquidity Risk**

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

**Market Risk**

Interest rate risk

The Joint Committee is not exposed to risk in terms of its exposure to interest rate movements as it has no borrowings and investments.

Foreign exchange risk

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

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**20 Retirement Benefits**

**20.1 Participation in the NILGOSC Pension Fund**

Employees of the Joint Committee are members of the NILGOSC Pension Fund. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Joint Committee. Because the Employees are employed by Derry City Council the scheme is effectively treated as a Defined Contribution Scheme by the Joint Committee as the share of Pension Assets/Liabilities and Service Costs/Gains is deemed to lie with Derry City Council.

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**21 Donated Assets Account**

	Note	2011/12	2010/11
		£	£
Opening balance		0	0
Add: new donated assets received (condition of use not met)		0	0
Less: amounts released to General Reserves - Comprehensive Income and Expenditure Statement (conditions met)		0	0
		<b>0</b>	<b>0</b>

	Note	2011/12	2010/11
		£	£
<b>Donated Assets Account</b>			
		0	0
		0	0
		0	0
		<b>0</b>	<b>0</b>

**22 Capital Grants Received in Advance**

	Note	2011/12	2010/11
		£	£
Opening balance		0	0
<b>Add:</b> new capital grants received in advance (condition of use not met)		0	0
<b>Less:</b> amounts released to the Comprehensive Income and Expenditure Statement		0	0
		<b>0</b>	<b>0</b>

	Note	2011/12	2010/11
		£	£
<b>Capital Grants Receipts in Advance</b>			
		0	0
		0	0
		0	0
		<b>0</b>	<b>0</b>

**23 Contingencies**

The Joint Committee does not have any Contingencies

# NORTH WEST REGION WASTE MANAGEMENT GROUP

## Notes to the Financial Statements FOR THE YEAR ENDED 31 MARCH 2012

### 24a Analysis of Adjustments to Surplus/Deficit on the Provision of Services

	Notes	2011/12 £	2010/11 £
<b>Adjustment to surplus or deficit on the provision of services for noncash movements</b>			
Depreciation		0	0
Impairment & downward revaluations (& non-sale derecognitions)		0	0
(Increase)/Decrease in Stock		0	0
(Increase)/Decrease in Debtors		122,852	48,662
Increase/(decrease) in impairment provision for bad debts		0	0
Increase/(Decrease) in Creditors		(122,852)	(48,662)
Increase/(Decrease) in Interest Creditors		0	0
Carrying amount of non-current assets sold		0	0
WIP written off to Net Cost of Services		0	0
Contributions to Other Reserves/Provisions		0	0
Amounts posted to Comprehensive Income and Expenditure Statement from Donated Assets Account	22	0	0
		<u>0</u>	<u>0</u>
<b>Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities</b>			
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		0	0
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		0	0
Proceeds from the sale of PP&E, investment property and intangible assets		0	0
Capital grants included in "Government Grant" income		0	0
		<u>0</u>	<u>0</u>

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**24b Cash and Cash Equivalents**

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

	31/03/2012 £	31/03/2011 £	31/03/2010 £
Cash and Bank balances	0	0	0
Short Term Investments (considered to be Cash Equivalents)	0	0	0
Short Term Deposits (considered to be Cash Equivalents)	0	0	0
Bank Overdraft	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>

**24c Cash Flow Statement-Operating Activities**

	2011/12 £	2010/11 £
<i>The cash flows from operating activities include:</i>		
Interest received	<u>0</u>	<u>0</u>
Interest paid	<u>0</u>	<u>0</u>

**24d Cash flows from Investing Activities**

	2011/12 £	2010/11 £
Purchase of PP&E, investment property and intangible assets	0	0
Purchase of Short Term Investments (not considered to be cash equivalents)	0	0
Purchase of Long Term Investments	0	0
Other Payments for Investing Activities	0	0
Proceeds from the sale of PP&E, investment property and intangible assets	0	0
Proceeds from Short Term Investments (not considered to be cash equivalents)	0	0
Proceeds from Long Term Investments	0	0
Capital Grants and Contributions Received	0	0
Other Receipts from Investing Activities	0	0
<b>Net Cash flows from Investing Activities</b>	<u>0</u>	<u>0</u>

**24e Cash flows from Financing Activities**

	2011/12 £	2010/11 £
Cash Receipts from Short and Long Term Borrowing	0	0
Other Receipts from Financing Activities	0	0
Cash payments for the reduction of the outstanding liability relating to a finance lease and on-Balance Sheet PFI contracts	0	0
Repayment of Short and Long Term Borrowing	0	0
Other payments for Financing Activities	0	0
<b>Net Cash flows from Financing Activities</b>	<u>0</u>	<u>0</u>

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**25a) Analysis of Movement on Reserves - Current Year**

	USABLE RESERVES					UNUSABLE RESERVES								TOTAL UNUSABLE RESERVES	TOTAL AUTHORITY RESERVES
	Capital Receipts Reserve	Capital Grants Unapplied Account (new)	Capital Fund	Renewal & Repairs Fund	Other Balances and Reserves	General Reserves	TOTAL USABLE RESERVES	Capital Adjustment Account	Financial Instruments Adjustment Account	Revaluation Reserve	Available for Sale Financial Instruments Reserve	Pensions Reserve	Deferred Capital Receipts Account		
	£ 26a)	£ 26b)	£ 26c)	£ 26d)	£ 26e)	£ 26f)	£	£ 26g)	£ 26h)	£ 26i)	£ 26j)	£ 26k)	£ 26l)	£ 26m)	£
At 1 April 2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Movements during the year:															
Applied Capital Grants						0	0	0							0
Unapplied Capital Grants received in year		0				0	0	0							0
Unapplied Capital Grants transferred to CAA in year		0				0	0	0							0
Direct Revenue Financing						0	0	0							0
Depreciation & impairment adjustment						0	0	0							0
Loans/lease principal repayments						0	0	0							0
Net Revenue expenditure funded from capital under statute						0	0	0							0
Surplus/(Deficit) on the Provision of Services						0	0	0							0
Transfers between Earmarked Reserves and General Reserves			0	0	0	0	0	0							0
Net movements on Pension Reserve						0	0					0			0
Disposal of Fixed Assets/Capital Sales	0					0	0	0							0
Capital Receipts used to finance capital expenditure	0					0	0	0							0
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	0					0	0	0						0	0
Revaluation						0	0								0
Other Movements	0					0	0	0					0		0
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure			0	0		0	0	0							0
Total movements on reserves during the year (Change in Net Worth)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0



NORTH WEST REGION WASTE MANAGEMENT GROUP  
Notes to the Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2012

25b) Analysis of Movement on Reserves - Comparative Year

	USABLE RESERVES										UNUSABLE RESERVES										TOTAL AUTHORITY RESERVES
	Capital Receipts Reserve	Capital Grants Unapplied Account	Capital Fund	Repairs & Fund	Other Balances and Reserves	General Reserves	TOTAL USABLE RESERVES	Capital Adjustment Account	Financial Instruments Adjustment Account	Revaluation Reserve	Available for Sale Financial Instruments Reserve	Pensions Reserve	Deferred Capital Receipts Account	Accumulated Absences Account	TOTAL UNUSABLE RESERVES						
At 1 April 2010	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£					
IFRS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
Movements during the year:																					
Applied Capital Grants						0	0									0					
Unapplied Capital Grants received in year		0				0	0									0					
Unapplied Capital Grants transferred to C&A in year		0				0	0									0					
Direct Revenue Financing						0	0									0					
Depreciation & impairment adjustment						0	0									0					
Leasehold principal repayments						0	0									0					
Net Revenue expenditure funded from capital under statute						0	0									0					
Surplus (Deficit) on the Provision of Services						0	0									0					
Transfers between Estimated Reserves and General Reserves						0	0									0					
Net movements on Pension Reserve						0	0					0				0					
Disposal of Fixed Assets Capital Sales	0					0	0									0					
Capital Receipts used to finance capital expenditure	0					0	0									0					
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	0					0	0		0							0					
Revaluation						0	0			0	0	0				0					
Other Movements:	0					0	0			0	0					0					
Transfers between Capital Fund/Renewal & Repair Fund & C&A to finance capital expenditure						0	0									0					
At 31 March 2011	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£ 260	£					
Total movements on reserves during the year (Change in Net Worth)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Notes to the Financial Statements**  
**Usable Reserves**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**26a) 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).

**26b) 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.

**26c) Capital Fund**

The Joint Committee has not established a Capital Fund.

**26d) Renewal and Repairs Fund**

The Joint Committee has not established a Repairs and Renewals Fund.

**26e) Other Balances & Reserves**

The Joint Committee does not have any other Balances or Reserves.

**26f) General Reserves**

This reserve shows the accumulated resources which have not been assigned to a special purpose reserve and are therefore available to meet general future expenditure requirements. It is credited with income received less the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Notes to the Financial Statements**  
**Unusable Reserves**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**26g) 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 Joint Committee.

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

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

**26h) Financial Instruments Adjustment Account**

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

**26i) Revaluation Reserve**

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

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

The reserve contains only revaluation gains accumulated since 1 April 2008, the date the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

The purpose of this account is to build up a balance based on the revaluation (upwards or downwards) of individual assets. All such revaluations (excluding impairment losses that have been debited to Surplus/(Deficit) on the Provision of Services in the Comprehensive Income and Expenditure Statement) 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.

**26j) Available-for-Sale Financial Instruments Adjustment Reserve**

The Joint Committee has no transactions that would require the use of this Reserve.

**26k) Pension Reserve**

Refer to note 20.

**26l) Deferred Capital Receipts Account**

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

**26m) Accumulated Absences Account**

The Accumulated Absences Account absorbs the differences that would otherwise arise on the Comprehensive Income and Expenditure Statement 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 in place to ensure that the impact on the Comprehensive Income and Expenditure Statement is neutralised by transfers to or from this Accumulated Absences Account

Because the staff charged to the North West Region Waste Management Group are employed by Derry City Council, the liability for any Accumulated Absences is accounted for by the Council.

**NORTH WEST REGION  
WASTE MANAGEMENT  
GROUP  
Notes to the Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2012**

**27      Significant Trading Operations**

There were no Significant Trading Operations during the year.

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**28 Agency Services**

The Joint Committee does not engage in any Agency Services.

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**29 Related Party Transactions**

A Related Party Transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related Party Transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the Joint Committee or the Government of which it forms part. A related party is one that has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes cases where the related party entity and another entity are subject to common control but excludes providers of finance in the course of their normal business with the Joint Committee and Trade Unions in the course of their normal dealings with the Joint Committee. In addition where the relationship with the Joint Committee 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:

Councillors have direct control over the Joint Committee's financial and operating policies. In the financial year 2011/2012 the Joint Committee did not commission any works from companies in which Councillors had an interest.

The Joint Committee provides administration support to the seven participant councils in relation to the procurement and management of waste related contracts. During 2011/12 the Joint Committee reported income of £160,783 (2010/11 £88,412) from member Councils, of which £51,708 (2010/11 £20,791) was outstanding as at 31 March 2012. Expenditure of £1,198 was made to member Councils (2010/11 £0). As the Joint Committee uses Derry City Council to cashflow it's activities there was a balance owed to the Council at 31 March 2012 of £96,659 in relation to 2011/12 (2010/11 £270,901). £180 was also owed to another member Council (2010/11 £0).

The income from participating Councils is as shown below:

	<u>2011/2012</u>	<u>2010/2011</u>
	£	£
Derry City Council	53,541	29,441
Coleraine Borough Council	28,137	15,472
Magherafelt District Council	20,580	11,317
Strabane District Council	19,455	10,698
Limavady Borough Council	16,882	9,283
Ballymoney Borough Council	13,988	7,692
Moyle District Council	8,200	4,509
	<u><b>160,783</b></u>	<u><b>88,412</b></u>

The Joint Committee also receives grant funding from the Department of the Environment for costs involved with the waste management procurement process. During 2011/2012 this amounted to £770,852 (2010/2011 £739,818). The Joint Committee also received grant funding from SIB for Management Charges which amounted to £45,287 for 2011/12 (2010/11: £0). 2011/12 is the first year that the SIB requested that their expenditure in relation to the Joint Committee be reflected in the Accounts of the Joint Committee.

Derry City Council provides office accommodation and support services to the Joint Committee for which it received £15,000 during 2011/2012 (2010/2011 £15,000). The Council's City Secretary & Solicitor also provided specialist legal advice to the Joint Committee for which no charges were made during 2011/2012 (2010/2011 £11,480).

**NORTH WEST REGION WASTE MANAGEMENT GROUP**  
**Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**Accounts Authorised for Issue Certificate**

In accordance with International Accounting Standard (IAS 10) this Statement of Accounts which contains a number of minor amendments from the Accounts approved on 28th June 2012 are at today's date hereby authorised for issue.

IAS 10 sets out

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

Signed

  
.....  
**Chief Financial Officer**

Date

...26th October 2012.....