arc21

2025/26

Statement of Accounts

arc21

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Introduction

The Joint Committee’s financial performance for the year ended 31 March 2026 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 2025/26 (the Code) and the Department for Communities Accounts Direction, Circular LG 03/26 dated 12 February 2026. 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 2025/26 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 Joint Committee 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 32 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/(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 the 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 33, 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 34, shows the value, as at 31 March 2026, 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 Joint Committee, in accordance with the International Financial Reporting Standards, is required to report the financial position of the pension scheme in the annual statutory accounts. The pension scheme continues to perform well and shows a year-end surplus of £1,430,000 (£1,094,000 as at 31/3/25). However under IAS19, it has been necessary to restrict the amount of surplus recognised on the balance sheet to show a nil balance as at 31/3/26.

The pension scheme is managed independently of arc21 by the Northern Ireland Local Government Superannuation Committee (NILGOSC) which has a financial strategy designed to manage surpluses and deficits on an ongoing basis. Financial reports are produced regularly, and contribution rates (both employer and employee) are adjusted to ensure that, over time, the level of assets available should be sufficient to meet the liabilities of the scheme.

The statutory commitment of the Joint Committee is to ensure that the contribution rates determined by the Department for Communities are paid to NILGOSC and the Joint Committee has fully complied with its requirements in this regard.

The level of General Reserves provides a good reflection of the financial strength of the Joint Committee. The level of Useable Reserves has increased to £886,926 as at 31 March 2026 (£826,440 as at 31 March 2025). The General Reserves contains some elements of funding for expenditure on activities which have been delayed and therefore this underspend is earmarked to be incurred when those activities start. It is extremely important to maintain a sufficient and appropriate level of reserves in order for arc21 to be able to effectively service the participant councils, especially in relation to future procurement activities.

The Cash Flow Statement

The Cash Flow Statement, as set out on page 35, 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.

Performance Report

Background

arc21 was initially incorporated as a body corporate, pursuant to Section 19 of the Local Government Act (NI) 1972, on 13 February 2004.

In accordance with the Local Government Reform process the Shadow Councils agreed to continue with the waste management services provided by arc21 and this required the Joint Committee to be reconstituted. Accordingly, new Terms of Agreement were drawn up and approved by the Shadow Councils and the Department of the Environment introduced The Local Government (Constituting a Joint Committee a Body Corporate) Order (Northern Ireland) 2015 which became effective on 1 April 2015 in order to provide the new organisation with the powers to operate.

The six Partner Councils of the Joint Committee are as follows:

Antrim and Newtownabbey Borough Council
Ards and North Down Borough Council
Belfast City Council
Lisburn & Castlereagh City Council
Mid & East Antrim Borough Council
Newry, Mourne and Down District Council

Financial Information

The organisation recorded an increase in income, year on year. The income for the year was £52.9m compared to £49.5m in 2024/25, i.e. an increase of £3.3m (6.8%).

An actuarial loss on the pension assets/liabilities of £13,000 was recorded (£99,000 loss in 24/25). Overall, a surplus of £73,486 (£48,337 surplus in 2024/25) was recorded on the Provision of Services. After taking into account charges in relation to pension funding, an operational surplus of £60,486 was transferred into the General Reserves at 31 March 2026 increasing them from £824,430 to £884,916. This level of General Reserves is required by the Joint Committee in order to deal with operational activities, emergency situations as well as the challenges involved in procurement activities going forward. The General Reserves balance represents 1.7% of annual income (1.7% in 2024/25).

Contract Activity

All the major waste contracts were able to operate satisfactorily during the year. From a financial point of view, contract income was up £3.3m (6.8%) year on year, £51.6m compared to £48.3m in prior year. Over the last three years there has been a significant increase in contract income, rising from £34.6m in 2022/23 to £51.6m in 2025/26. This is an increase of £17m (49%) over the last three years, which has primarily been driven by the procurement of new Residual Waste contracts, as well as standard inflationary gate fee increases across all contracts. These Residual Waste contracts have enabled waste to be diverted from landfill, and has also significantly increased the tonnages managed under arc21 contracts.

Residual Waste Treatment Project

The requirement to extinguish critical regulatory risks (i.e. planning, permitting, land assembly) to enable implementation of the residual waste treatment infrastructure matched to arc21's constituent councils long term requirements remain to be progressed to a conclusion.

In particular, securing a robust planning consent in Northern Ireland for the residual waste treatment project remains challenging. The two judicial reviews (May to July 2018 and June 2022 to May 2023) that the planning decision-making process has been subject to has disrupted the process of arriving at an evidence-based decision in a continuous manner.

Steps to update the evidence supporting the planning application have been implemented and an additional volume of further environmental information was submitted in April 2025 (the 9^{th} Addendum to the Environmental Statement) to allow re-consideration by select consultees. Feedback from these consultees is being incorporated into a 10th Environmental Statement Addendum which is expected to complete the planning file prior to re-consideration of the application by the planning authority.

Insurance Matters

A range of insurance policies are in place as part of the ongoing risk management and governance arrangements of the organisation. Details of the insurance policies in place can be seen in note 1a(xxvii).

Investment Income

The investment income earned by arc21 decreased during 2025/26 as a consequence of reductions in the Bank of England base rate. In 2025/26 the actual interest earned by arc21 on cash held on short term deposit was £90,655 (£102,623 in 2024/25).

Looking ahead to next year, early indications would suggest that the return on investments on short term cash deposits is likely to fall as the expectation is that the Bank of England base rate may be cut during 2026/27.

Basis of Preparation

These financial statements have been prepared on a going concern basis. The future of waste management in Northern Ireland remains an on-going topic of conversation for all local councils but there is no current indication as to if or how or when this may impact arc21. The Joint Committee's Useable Reserves remain strong and management has confidence in the medium term future.

Conclusion

In general, the financial results for 2025/26 have been very positive; income continues to significantly increase, with an overall surplus achieved against the budget for the year resulting in increased General Reserves. In addition, the management of cashflow remains strong to support the operations.

Finally, arc21 would like to take the opportunity to formally acknowledge the ongoing support and commitment from the elected Members of the Joint Committee and the Officers of our Partner Councils. Their support is one of the critical success factors behind arc21.

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

The Joint Committee's Responsibilities

Under Section 1 of the Local Government Finance Act (Northern Ireland) 2011 a Joint Committee shall make arrangements for the proper administration of its financial affairs. A Joint Committee shall designate an officer of the Joint Committee as its Chief Financial Officer and these arrangements shall be carried out under the supervision of its Chief Financial Officer.

Under Regulation 8 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 the Joint Committee is required by resolution to approve the accounts.

These accounts were recommended for approval by the Audit Committee on 22/09/26.

The Chief Financial Officer's Responsibilities

Under Regulation 8 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, the Chief Financial Officer is responsible for the preparation of the Joint Committee's Statement of Accounts in the form directed by the Department for Communities. For arc21, this is the responsibility of the Chief Executive.

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

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

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

The Chief Financial Officer is also required to:

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

arc21 Joint Committee
Annual Governance Statement 2025/26

arc21's Annual Governance Statement (AGS) follows guidance issued by the Department for Communities (DfC) Local Government Division in Circular LG 30/15, dated 19 November 2015, and Circular LG 03/26 Accounts Direction: arc21 25/26, dated 12 February 2026, and comprises of the following sections:

- Scope of responsibility
- The purpose of the governance framework
- The governance framework
- Review of effectiveness
- Significant governance issues.

Executive Summary

Management and members have arrived at the overall opinion that arc21's governance is fit for purpose in that the governance arrangements for the 2025/26 financial year as outlined in our code of governance (with the key elements summarised in this statement) were operating effectively and support the achievement of the arc21's outcomes.

Scope of Responsibility

arc21 is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. arc21 also has a general duty under the Local Government Act (Northern Ireland) 2014 to make arrangements for continuous improvement in the way in which its functions are exercised.

In discharging this overall responsibility, arc21 is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions which includes the management of risk.

arc21 is required to prepare an Annual Governance Statement which is consistent with the principles of the CIPFA/ Society of Local Authority Chief Executives and Senior Managers (SOLACE) Framework *Delivering Good Governance in Local Government (2016 edition)* and *Addendum (2025)*.. This statement explains how the Joint Committee meets the requirements of Regulation 4(4) of the Local Government (Accounts & Audit) Regulations (Northern Ireland) 2015 in relation to the publication of a Governance Statement.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which arc21 is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables arc21 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 arc21'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.

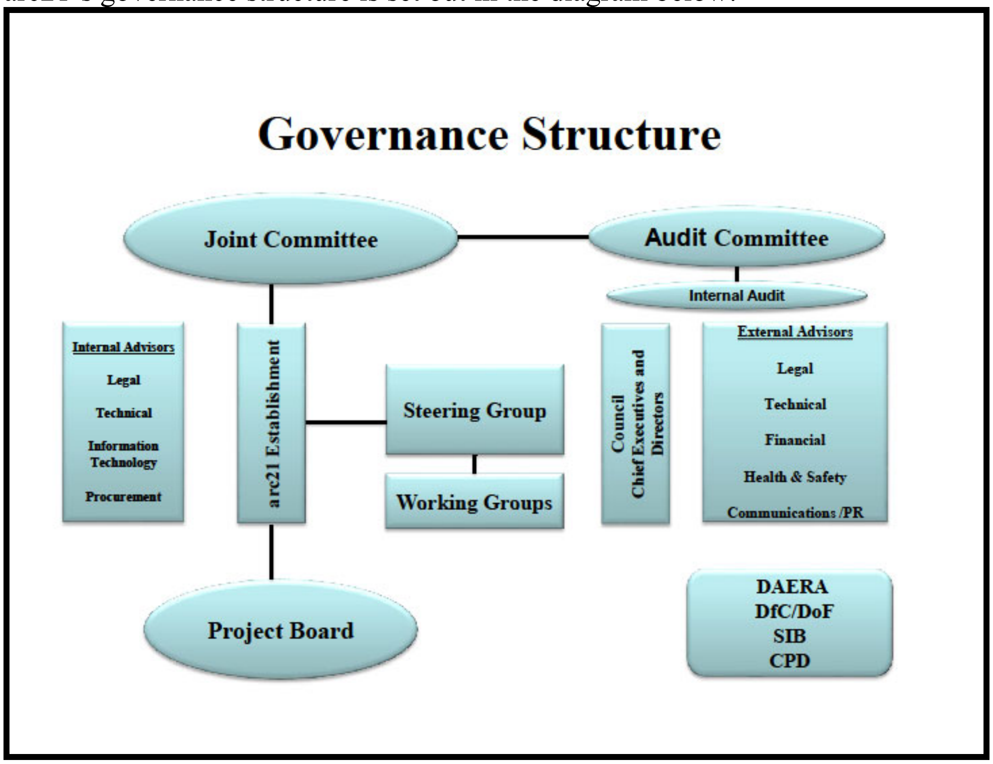
The governance framework has been in place at arc21 for the year ended 31 March 2026 and up to the date of approval of the financial statements.

The Governance Framework

This section of the Annual Governance Statement provides a brief description of the key elements of the governance framework that arc21 has in place.

Throughout 2025/26, the Joint Committee meetings achieved quorum at 9 out of 10 scheduled monthly meetings which generally allowed business to proceed in a timely manner.

arc21's governance structure is set out in the diagram below:



Looking forward, we do not expect our governance arrangements to change significantly (although note the reference to the Solace review of Waste Management arrangements in Northern Ireland referenced in the significant governance issues below).

The key elements of the systems and processes that comprise arc21's governance arrangements include the following.

- **identifying and communicating the Joint Committee's vision of its purpose and intended outcomes for citizens and service users**

The Corporate Plan covering 2024-2028 was developed using the Balanced Scorecard and was approved by the Joint Committee in July 2024. Arising from this, an Action Plan is developed annually which identifies the tasks needing to be implemented to deliver the Strategic Objectives set out in the Plan. Delivery is reported to the Steering Group on a quarterly basis and a retrospective review of the tasks themselves forms the basis for the Annual Report which is submitted to the Joint Committee in quarter two.

The Corporate Plan has been made available to all key stakeholders, continues to be distributed to relevant third parties, as required, and is available on the arc21 website. Once adopted, the Annual Report is similarly published on the arc21 website.

In addition, during the year, arc21 produce regular reports to the Steering Group setting out the waste management contracts and the performance of key indicators against targets within the Action Plan.

The Waste Management Plan developed in 2014/15 and updated in 2015/16 has now been reviewed. The intent was that this should be on an 11 Council basis but, following procuring consultancy support and commencement of the review, it was determined that an addendum [light touch] review would be produced on the basis of the previous local government groupings. arc21 coordinated this draft on behalf of its constituent councils. Following discussions with the constituent councils, its finalisation was delayed pending completion of a Gateway Health Check review in order to incorporate any relevant findings. This review was completed in 2025/26 but, following consideration, it was determined that due to the commercial nature of some of its content which could negatively impact upon the RWTP procurement exercise, the results would not be incorporated (this could be revisited in the event of a successful planning determination).

Subsequently, DAERA has published a draft Waste Strategy for consultation which will close in Q1 2026/27 meaning that the arc21 Waste Management Plan addendum will effectively be overtaken by events and consequently, further work on finalising this has been parked at this time pending further consideration. The work undertaken to date will be revisited as part of a more comprehensive review and preparation of a new Waste Management Strategy once DAERA publish a new Waste Strategy – expected early in 2027/28.

In parallel to this, the Strategic Investment Board (SIB) review of waste management structures in Northern Ireland on behalf of SOLACE to assess if a single waste body could oversee waste management operations for all the councils appears to have stalled. Progress on the review and resultant SIB's recommendations were reported to all 11 Councils in late 2022/early 2023 and have been approved by the majority of councils, but it is unclear what the timing is for progressing this research to a conclusion. arc21 awaits the outcome of these developments to determine how it can best support the process.

Section 84 of the Local Government Act (NI) 2014 confers a general duty of improvement on the Joint Committee and in this regard arc21 has developed an Action Plan to demonstrate the achievement of operational objectives across the organisation.

arc21 has a Code of Governance in place which was approved by the Joint Committee. The

Code is based on the seven principles set out in the CIPFA/SOLACE "*Delivering Good Governance in Local Government: A Framework*" and Addendum. This sets out the systems and processes, culture and values, by which the organisation is directed and controlled and through which it accounts to, engages with and, where appropriate, leads its community. This is reviewed and updated annually to ensure compliance.

It should also be noted that arc21 remain compliant with the requirements of ISO9001. An external assessment was carried out during the year and arc21's re-certification for ISO9001 was confirmed.

- **reviewing the Joint Committee's vision and its implications for the Joint Committee's governance arrangements**

The new Corporate Plan covering 2024-2028 was approved by Joint Committee in July 2024.

The Corporate Plan, and the arrangements in place to deliver the plan, are subject to continuous review to ensure currency and progression towards the achievement of arc21's strategic objectives.

In relation to waste management issues, arc21 engages regularly with Government. In accordance with the constituent councils' statutory duty to manage waste and in line with the facilities proposed to discharge this duty as per the Waste Management Plan (2015), following the decision of the Minister of the Department for Infrastructure's being quashed by the High Court in 2023, arc21 has refreshed much of the information which made up the initial Environmental Statement for the range of residual waste treatment facilities at Mallusk in the form of a 9th Addendum of Further Environmental Information and submitted to the planners of the Department for Infrastructure for consideration. It is anticipated that a recommendation for approval will again be presented to the Minister possibly before the next election.

- **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**

arc21 regularly engages with its constituent councils to present reports which show progress against targets and invite continuous feedback. On a monthly basis, arc21 provides Chief Executives with a synopsis of relevant issues as well as the Joint Committee reports and Members Summary, and meetings are held with the Chief Executives and/or directors of the constituent councils quarterly or as/when required.

Performance reports also make up the report-pack which is presented monthly to the senior officers and elected Members from the constituent councils. These include performance in relation to arc21's key contracts and progress towards developing and implementing the infrastructure contract for managing residual waste longer-term. Notwithstanding that reporting against the Northern Ireland Landfill Allowance Scheme (NILAS) is now no longer required, arc21 continues to provide an analysis of performance of the individual constituent councils against the new Circular Economy targets[1].

The objectives set out in the annual Action Plan are reviewed quarterly by the Steering Group to demonstrate the achievement of operational activities across the organisation. In addition, arc21 produce annual financial information reports which are presented to its constituent councils to assist with the revenue estimates process.

As above, the reports which are presented throughout the year to the Steering Group and Joint Committee, are also circulated to other constituent councils' senior officers and/or Chief Executives for their information, and these regularly include information on arc21's performance in relation to delivering its Corporate Plan.

Customer surveys are issued annually to Steering Group and Joint Committee Members, and the process has been further enhanced through the use of electronic facilities. Survey results are reported to both the Steering Group and Joint Committee. The results are also reported within arc21's ISO9001 system.

arc21 initially gained ISO9001 Quality Management Systems accreditation in 2011 and has successfully re-applied for this standard each year in order to improve performance and facilitate continual improvement. The standard has been revised to a new 2015 standard and arc21 has updated its systems and procedures in line with the new standard. The ISO accreditation body undertook an audit in 2025/26 and has confirmed that arc21 remains compliant.

- **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**

Terms of Agreement, approved by all its Constituent Councils in 2014/15, this defines the roles and responsibilities of the Joint Committee and the operational functions carried out under the direction of the Chief Executive. The Terms of Agreement set out the five principles under which arc21 is governed; these are:

  - Principle of Consensus;
  - Principle of Limit of Delegation;
  - Principle of Functional Responsibilities;
  - Principle of Equitable Shared Funding; and
  - Principle of Equal Committee Representation.

A Supplementary Agreement to the July 2003 Terms of Agreement is also in place, as well as Key Terms to the Residual Waste Treatment Project (RWTP) which further enhances the robustness of the legal arrangements between arc21 and the constituent councils.

A Scheme of Delegation is in place, approved by the Joint Committee, which applies to the functions delegated to the Chairman of the Joint Committee, and to the Chief Executive.

Standing Orders are in place, which deals with the conduct of the formal business of the meetings of Members at the Joint Committee.

[1] 55% recycling of household waste by 2025, 60% by 2030, 65% by 2035 – The Waste (Circular Economy) Amendment) Regulations (Northern Ireland) 2020

As part of the Local Government Reform (LGR) process, arc21 was reconstituted in legislation through the formal adoption of "*The Local Government (Constituting a Joint Committee a Body Corporate) Order (Northern Ireland) 2015*", which came into operation on 1 April 2015.

The Terms of Agreement have been updated and signed by the constituent councils. These new Terms are effective from 1 April 2015, and they reflect all the core Principles previously established by the Joint Committee.

Any developments regarding the future delivery of waste management services provided by arc21 has been determined by the six successor constituent councils.

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

The individual Members of the Joint Committee are bound by the "*Code of Conduct for Councillors in Northern Ireland*". In addition, Members are bound by Standing Orders in relation to the conducting of business at the formal Joint Committee meetings.

In terms of staff, arc21 has adopted the Local Government Staff Commission (LGSC) model code of conduct for local government employees. The staff code of conduct for arc21 provides guidance to staff on how they should behave. It touches on areas such as staff integrity, roles and responsibilities, use of resources, conflicts of interests and other issues which all influence how effective internal financial controls are in place. All members of staff receive induction training which includes an introduction to the Code of Conduct. The Code was updated during 2021 and is included in the suite of Human Resources policies and procedures which were presented to and ratified by the Joint Committee in 2021.

- **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 Standing Orders were developed from existing models in place within Northern Ireland local government and will be reviewed during each Joint Committee term and are updated as and when required.

The Terms of Agreement, approved by arc21's constituent councils in 2014/15, are kept under continuous review. Any changes require the approval of all the constituent councils.

The Terms of Agreement have been updated post Local Government Reform and they reflect all the core Principles of the original Terms of Agreement.

A Scheme of Delegation is also in place, approved by the Joint Committee which applies to the functions delegated to the Chief Executive by the Joint Committee. arc21's Financial Regulations are incorporated within this.

A risk management strategy, setting out arc21's overall approach to risk management, was developed in line with best practice and approved by the Audit Committee.

Belfast City Council's Audit, Governance & Risk Services (AGRS) continue to facilitate the development of risk management processes throughout the organisation. A risk management framework is embedded throughout the organisation. This includes risks being identified and actively managed at both the corporate and operational levels of the organisation as well as for major projects.

During 2025/26, AGRS met with arc21's Senior Management Team in order to update the corporate risks to align them with the Corporate Plan for 2024-2028; 9 corporate risks have been identified.

Risk registers and risk action plans were put in place to manage the risks identified. The risk registers and action plans are reviewed by the management team on an ongoing basis to ensure currency, usually on a quarterly basis.

Where appropriate, risk registers are incorporated as part of the governance arrangements for procuring waste management contracts and reviewed by relevant senior officers overseeing such procurement exercises. In terms of operational contracts, during the operational phase, regular meetings take place to enable risks to be identified and appropriate action taken to manage the risks.

All risks have been evaluated on the basis of likelihood and impact and have been allocated a risk owner. In addition, all risks related to major contracts/procurement exercises are identified as part of the ongoing project management process within arc21.

A risk report, setting out how each of the corporate risks are being managed, is submitted to the Audit Committee regularly.

A system of annual assurance reporting by Directors within arc21 continues to be in place, and these signed assurance statements form part of the evidence to enable the sign-off of the Annual Governance Statement by the Chief Financial Officer (CFO). The duties of this post are included within those of the Chief Executive.

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

The Audit Committee met four times during 2025/26.

Northern Ireland Audit Office issued the Good Practice Guide – Effective Audit and Risk Committees on 31 March 2025. arc21 has completed the self-assessment checklist provided during 2025/26 to ensure compliance.

Periodic risk and governance training is provided to Audit Committee Members.

The Joint Committee's arrangements conform to the requirements of the new CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government (2025) which applied from 1st April 2025. The Internal Auditor provided the Audit Committee with a report for review on the results of the assessment of conformance against the GIAS in the UK Public Sector, including an action plan.

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

In accordance with the functions delegated to the Chief Executive in the Scheme of Delegation, the Chief Executive and Directors are responsible for, within their area of responsibility, ensuring that staff conduct their business in accordance with the law and proper standards, and that public money, for which they are responsible, is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Scheme of Delegation and Financial Regulations include an explicit reference to management's responsibility for internal control. As the Chief Financial Officer (CFO), the Chief Executive is the designated officer responsible for the proper administration of the Joint Committee's financial affairs. The Financial Regulations set out the delegated powers of the Chief Executive as CFO in ensuring expenditure is lawful. The Scheme of Delegation and Financial Regulations include financial thresholds for procurement and the circumstances in which Single Tender Actions / direct awards are permissible.

arc21's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the CFO in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government: Framework.

The post of Chief Executive Officer is arc21's designated CFO under the Local Government Finance Act (NI) 2011, responsible for the proper administration of arc21's financial affairs. The CFO is supported by the Principal Financial Accountant, a qualified accountant.

We reviewed the principles of the CIPFA Financial Management Code and confirm compliance for the year.

The Code of Conduct for Local Government Employees provides guidance on a wide range of areas in relation to policies and procedures for staff. There is a handbook for employees containing all employee related policies, which were refreshed during 2021/22. arc21's acting-up policy is under review and will be finalised as part of the general review of arc21's suite of HR policies during the term of the new Corporate Plan 2024-28.

Ongoing general legal support is provided by Belfast City Council's Legal Services Department, and specific contract and procurement legal support is provided by an external firm of solicitors following a competitive tendering exercise. In addition, in relation to the Residual Waste Treatment Project (RWTP), a client side team of professional consultants are in place to provide advice on financial, technical, legal and planning issues etc.

Under data protection legislation there is a requirement to report any notifiable data breaches to the Information Commissioner's Office within 72 hours. In the year there were no such breaches within arc21, and therefore no requirement for any reporting.

arc21 engages AGRS to provide an independent assurance and advisory service to help arc21 achieve its objectives and improve the effectiveness of its risk management, control and governance processes. AGRS conforms to Global Internal Audit Standards in the UK Public Sector. In addition, the Head of Internal Audit role addresses the five principles set out in the CIPFA Statement on the Role of the Head of Internal Audit (2010).

The Local Government Auditor provides a level of assurance through the provision of the annual external audit and the issuing of the Annual Audit Letter and the Report to Those Charged with Governance.

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

The Raising Concerns policy takes into account the updated guidance set out in the NIAO document "*Raising Concerns: A Good Practice Guide for the Northern Ireland Public Sector*".

In addition, there is a complaints policy in place, which is publicly available on the arc21 website.

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

In terms of the needs of Members on the Joint Committee and senior officers from the Steering Group, regular monthly meetings are held to ensure that they are kept up to date with issues as they emerge.

Information provided in the regular Joint Committee and Steering Group meetings are designed in part to build capacity of both Members and officers in respect of better understanding of waste management policy and waste management contracts.

The training needs of both Members and senior officers are kept under review.

In relation to officers within the organisation, personal training and development plans are in place and kept under review. All staff attend relevant seminars and conferences on a regular basis.

All staff receive induction training on joining the organisation.

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

arc21 regularly engage with its constituent councils to present progress reports and invite continuous feedback. arc21 provides copies of the monthly Joint Committee reports and Members' Summary to Chief Executives and Members of the constituent councils. Several councils take these reports to their own committees for consideration. arc21 meet monthly with senior officers and Members of the constituent councils. In addition, meetings with councils' Chief Executives and Directors are held as and when required.

In addition, arc21 regularly communicates with other key stakeholders, including, waste sector contractors, Government departments and local government bodies.

Review of Effectiveness

arc21 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 executive managers within arc21 who have responsibility for the development and maintenance of the governance environment, the Statements of Assurance from Directors providing confirmation that a risk control framework was in place throughout the year, the Head of AGRS annual report, and also by comments made by the external auditors and the ISO auditors.

An extract from the Head of AGRS Annual Assurance Statement for the period ended 31 March 2026 is given below:

Section 2 – Annual Assurance Statement

2.1 As Head of Audit, Governance and Risk Services (AGRS), on the basis of work carried out, I can provide a reasonable assurance regarding the adequacy and effectiveness of arc21's framework of governance, risk management and control.

2.2 My opinion is based on the following:

- Evidence from five audits carried out during 2025/26. AGRS are providing positive statements of assurance, with three audits receiving the assurance opinion level of "Substantial" (the first tier of assurance in the four-tier model). Two are almost complete and no significant issues have been identified in these. The audits were:
  - Health & Safety
  - Internal Financial Control
  - Outreach
  - Residual Waste Contracts (report yet to be issued)[2]
  - Haulage (report yet to be issued)[3]

- The results of the recommendations monitor exercise reported to the Audit Committee in March 2026. We found that good progress had been made by management in implementing the open audit actions. 10 of the remaining 11 actions relate to GDPR / Information Management and management intend to address these during 2026/27.

- The work that was undertaken to support arc21's Senior Management Team in reviewing and updating quarterly the corporate risks that could potentially impact on delivery of the corporate plan.

[2] Final report issued August 2026
[3] Final report issued June 2026

- Management assurances on the operation of sound risk management and systems of internal control through the Annual Assurance Statements completed by Directors.

- Management assurance that the arrangements set out in the Code of Governance are operating effectively in practice.

- ISO 9001 Quality Management Systems (2015 update) successfully re-accredited in 2025/26.

2.3 While I have provided an opinion of reasonable assurance there are a number of important points to highlight:

- There are a number of corporate risks that are impacted by external factors that are not within the direct control of arc21 and it is important that management and members continue to keep these risks under review to ensure that as far as possible, all appropriate mitigations are in place, there is appropriate and effective engagement with relevant stakeholders and the mitigating controls continue to operate effectively.

- Good progress has been made by management in implementing the open audit actions. It is important that this momentum is maintained, in particular in relation to the outstanding actions relating to GDPR.

- Given the current status of the Residual Waste Treatment Project no audit days have been allocated in the audit plan. However, this will be reviewed should there be any developments with the project.

2.4 Further information to support the above statements is provided at Section 3 to this report.

2.5 I am satisfied that internal audit has the appropriate resources to fulfil the requirements of the Service Level Agreement.

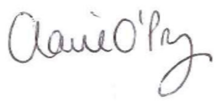
Global Internal Audit Standards

2.6 The new Global Internal Audit Standards (GIAS) in the UK Public Sector came into effect from 1st April 2025, replacing the Public Sector Internal Audit Standards. I can confirm that AGRS generally conforms with these standards. A small number of non-conformances were reported to Committee in March 2026 and there is a plan to introduce further improvement. A number of non-conformances are considered non-applicable as it would not be appropriate for the Chair to have a direct management role as the Head of AGRS is an employee of Belfast City Council.

2.7 An external review against Public Internal Audit Standards (the standards in place at the time) was carried out in 2022 and reported to the Audit Committee in September 2022. This report concluded that AGRS conforms to the requirements of the Public

Sector Internal Audit Standards and provides Members and management with valuable independent assurance on the internal audit service provided by AGRS.

2.8 Service performance indicators for 2025/26 have been mostly met, but as stated above two audit reports are still to be issued. More detail is set out at Appendix 2 to this report.



Claire O'Prey
Head of Audit, Governance and Risk Services
June 2026

Continued effort has been put into developing, implementing and reviewing the effectiveness of the key elements of the assurance framework within arc21 with the key elements being:

1. a process whereby Directors are required to sign annual assurance statements, which are reviewed and considered by the Chief Executive when preparing the Annual Governance Statement;
2. embedding risk management, with quarterly reports being presented to the Joint Committee;
3. progress against the Corporate Plan reported to the Joint Committee as part of the Annual Report
4. business planning and related performance reporting arrangements being reported to the Steering Group;
5. a professional internal audit function, which is subject to external quality assessment every five years, with the results reported to the Audit Committee;
6. a professional external audit function;
7. ISO 9001 Quality Management Systems accreditation;
8. regular monitoring of the implementation of audit recommendations which is reported to the Joint Committee;
9. engagement of external Health & Safety consultants who report to management: and
10. the implementation of business continuity arrangements.

a) Update on the Significant Governance Issues that were declared last year

Three issues were declared last year:

- Staff Resources / Human Resources Strategy/ Organisational Review
- Residual Waste Treatment Project
- SOLACE Strategic Review of NI Council Waste Management Arrangements

These continue to be declared as issues in this year's statement. An update on the management of these issues is set out below.

b) Significant Governance Issues for the year-end 2026

The significant governance issues for the year-end 2026 were identified through review of the risks in the Corporate Risk Register and review of the Directors' Annual Assurance Statements.

The most significant issues for arc21 are listed below; these three issues were also declared last year:

- Staff Resources / Human Resources Strategy / Organisational Review
- Residual Waste Treatment Project
- SOLACE Strategic Review of NI Council Waste Management Arrangements

There are no new significant issues that have been identified this year.

Staff Resources / Human Resources Strategy / Organisational Review

The 2024-28 Corporate Plan included the outworkings of an organisational review within the Policy and Operations section, which resulted in the requirement for an additional officer due to the increased tonnages managed by arc21 from the new residual waste contracts. This is evidenced by the 49% increase in income over the last 3 years. In addition, a vacancy arose at the start of 2025/26 due to an employee leaving.

The intention during 2025/26 was to recruit these two vacant posts but this did not occur, leaving the Policy and Operations section to be under-resourced. This should be progressed in the first half of 2026/27.

Residual Waste Treatment Project

The requirement to extinguish critical regulatory risks (i.e. planning, permitting, land assembly) to enable implementation of the residual waste treatment infrastructure matched to arc21's constituent councils long term requirements remain to be progressed to a conclusion.

In particular, securing a robust planning consent in Northern Ireland for the residual waste treatment project remains challenging. The two judicial reviews (May to July 2018 and June 2022 to May 2023) that the planning decision-making process has been subject to has disrupted the process of arriving at an evidence-based decision in a continuous manner.

Steps to update the evidence supporting the planning application have been implemented and an additional volume of further environmental information was submitted in April 2025 (the 9th Addendum to the Environmental Statement) to allow re-consideration by select consultees. Feedback from these consultees is being incorporated into a 10th Environmental Statement Addendum which is expected to complete the planning file prior to re-consideration of the application by the planning authority.

Reaching a determination on this infrastructure is critical for arc21 in order that appropriate services can be provided for councils in the future. It should be noted that due to the time delays in planning, a further tranche of interim residual procurements will be necessary and therefore, a new procurement strategy for these procurements will require to be developed.

SOLACE Strategic Review of NI Council Waste Management Arrangements

There has been no further update regarding the establishment of a new waste management structure regionally and there continues to be uncertainty as to councils' intentions regarding whether this is still being considered. arc21 staff would benefit from clarity on this matter.

Signed: ……………………………………………………………………………………..
Councillor Gregg McKeen
Deputy Chair of Audit Committee

Date: 22/09/26

Signed: …………………………………………………………………………………….
Mark Kelly
Chief Executive

Date: 22/09/26

On behalf of the Committee of the Joint Committee or the Members of the body meeting as a whole and by the Chief Executive.

Remuneration Report For The Year Ended 31 March 2026

Introduction

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

Allowance and Remuneration Arrangements:

Councillors

arc21 is a Joint Committee comprised of elected members nominated from each of the six Partner Councils. The number of elected members from each respective council is three. arc21 does not make payments to any of the elected members on the Joint Committee and therefore Councillors' remuneration is not included. However, the six participating Council's Remuneration Reports provides information on Councillors' allowance and remuneration arrangements.

Senior Employees

The remuneration of senior employees employed by the Joint Committee is determined by the Joint Committee in line with that determined by the Joint Negotiating Committee for Chief Executives of Local Authorities and by the National Joint Council (NJC) for Local Government Services. Senior employees of the organisation during 2025/26 were the Acting Chief Executive, and the Acting Policy and Operations Director.

arc21 appointments are made in accordance with the Local Government Staff Commissions' Code of Procedures on Recruitment and Selection, which requires appointment to be on merit and on the basis of fair and open competition.

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

- Tim Walker was appointed as Acting Chief Executive on secondment from Belfast City Council initially for a two year period with effect from 1/10/19. This has subsequently been extended a number of times with the current extension being to 30 September 2026, as agreed at the December 2025 Joint Committee meeting. Mark Kelly was appointed on 1 June 2026 as the new Chief Executive. Tim Walker's secondment ends on 30 September 2026.

Remuneration of Senior Employees:

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

Table 1: Remuneration (including salary) (audited information)

		2025/26			
Officers	**Position**	**Salary (Full year equivalent in brackets)**	**Bonus Payments**	**Benefits In Kind**	**Total (Full year equivalent in brackets)**
		£'000s	**£'000s**	**£'000s**	**£'000s**
Tim Walker	Acting Chief Executive	110-115 (110-115)	0	0	110-115 (110-115)
Karen Boal	Acting Policy and Operations Director	85-90 (85-90)	0	0	85-90 (85-90)

		2024/25			
Officers	**Position**	**Salary (Full year equivalent in brackets)**	**Bonus Payments**	**Benefits In Kind**	**Total (Full year equivalent in brackets)**
		£'000s	**£'000s**	**£'000s**	**£'000s**
Tim Walker	Acting Chief Executive	105-110 (105-110)	0	0	105-110 (105-110)
Karen Boal	Acting Policy and Operations Director	80-85 (80-85)	0	0	80-85 (80-85)

arc21 is required to disclose the relationship between the remuneration of the highest paid member of the Senior Management Team and the median remuneration of the workforce of arc21.

The banded remuneration of the highest paid member of the Senior Management Team in the financial year 2025/26 was £110k - £115k. This was 2.2 times the median remuneration of the workforce, which was £51k.

Table 2: Relationship between the remuneration of the highest paid member of the Senior Management Team and the median remuneration of the workforce of arc21 (audited information)

	2025/26	**2024/25**
	£'000s	**£'000s**
Salary Band of Highest Paid Member of the Senior Management Team (FTE)	110-115	105-110
Median Total Remuneration	51	45
Ratio	2.2	2.4

In 2025/26, no employees received remuneration in excess of the highest paid member of the Senior Management Team.

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

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

Bonus Payments
There are no bonus payments for any employee.

Benefits In Kind
The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

Exit Packages for Staff
There were no exit packages provided by the Joint Committee in the year.

Pension Benefits
The Local Government Pension Scheme (Northern Ireland) (the Scheme) is a funded defined benefit pension scheme, which provides retirement benefits for arc21 employees on a "career average revalued earnings" basis from 1 April 2015. Prior to that date benefits were built up on a "final salary" basis.

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

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

The ranges for the bands for tiered contribution rates are revised by the Department for Communities in April each year in accordance with the increase applied to a pension in payment. The bands, effective from 1 April 2025, were as follows:

Table 3: Employee Contribution Rates

Band	Pensionable Salary Range	Employee Contribution Rate
1	£0 - £18,300	5.50%
2	£18,301 - £28,100	5.80%
3	£28,101 - £47,000	6.50%
4	£47,001 - £57,200	6.80%
5	£57,201 - £113,500	8.50%
6	more than £113,500	10.50%

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

Table 4: Employer Contribution Rates

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

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

The value of pension benefits of the Senior Management Team of the Joint Committee accrued during the year was as follows:

Table 5: Pension Benefits of Senior Staff in 2025/26 (audited information)

Officers	Position	Accrued Pension at Pension Age as at 31/3/26 & Related Lump Sum (LS)	Real Increase in Pension & Related Lump Sum (LS) at Pension Age	CETV at 31/3/26	CETV at 31/3/25	Real Increase in CETV
		£'000s	£'000s	£'000s	£'000s	£'000s
Tim Walker	Acting Chief Executive	60-65 75-80 (LS)	10.0 to 12.5 0 to 2.5 (LS)	1,325	1,219	50
Karen Boal	Acting Policy and Operations Director	35-40 30-35 (LS)	0 to 2.5 -2.5 to 0 (LS)	731	683	15

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

The Real Increase In The Value Of The CETV
This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Signed: ………………………………………………………………………………………
Mark Kelly
Mark Kelly
Chief Executive

Date: 22/09/26

Certificate of the Chief Financial Officer

I certify that:

(a) the Statement of Accounts for the year ended 31 March 2026 on pages 32 to 74 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 36 to 45.

(b) in my opinion the Statement of Accounts gives a true and fair view of the financial position of the authority at the reporting date and of its expenditure and income for the year ended 31 March 2026.

Signed: Mark Kelly **………………………………………………………………………………………….**
Mark Kelly
Chief Executive / Chief Financial Officer

Date: 22/09/26

Audit Committee Approval of Statement of Accounts

These accounts were approved by resolution of the arc21 Audit Committee on 22/09/26.

Signed: ……………………………………………………………………………………….
Councillor Gregg McKeen
Deputy Chair of Audit Committee

Date: 22/09/26

Independent Auditor's Report To The Members Of The arc21 Joint Committee

Opinion on financial statements

I have audited the financial statements of arc21 for the year ended 31 March 2026 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement, and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom supported by UK adopted international accounting standards.

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

In my opinion the financial statements:

- give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26, of the financial position of arc21 as at 31 March 2026 and its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities' directions issued thereunder.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of arc21 in accordance with the ethical requirements of the Financial Reporting Council's Ethical Standard and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that arc21's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on arc21's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for arc21 is adopted in consideration of the requirements set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26, under which financial statements are prepared on a going concern basis on the assumption that the functions of the authority will continue in operational existence for the foreseeable future.

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

Other Information

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

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

I have nothing to report in this regard.

Opinion on other matters

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

• the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities' directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and

• the information given in the Statement of Accounts for the financial year ended 31 March 2026 is consistent with the financial statements.

Matters on which I report by exception

In light of the knowledge and understanding of arc21 and its environment obtained in the course of the audit, I have not identified material misstatements in the Statement of Accounts.

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

- in my opinion:
  - the Annual Governance Statement:
    - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26;
    - does not comply with proper practices specified by the Department for Communities;
    - is misleading or inconsistent with other information I am aware of from my audit; or
  - adequate accounting records have not been kept; or

- certain disclosures of remuneration required by the Department for Communities' directions are not made, or the Statement of Accounts and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit, or

- I issue a report in the public interest under Article 9 of the Local Government (Northern Ireland) Order 2005; or

- I designate under Article 12 of the Local Government (Northern Ireland) Order 2005 any recommendation made to the Joint Committee; or

- I exercise the other special powers of the auditor under Article 19 to 21 of the Local Government (Northern Ireland) Order 2005.

Responsibilities of the Chief Financial Officer for the financial statements

As explained more fully in the Statement of the Joint Committee's and Chief Financial Officer's Responsibilities, and in accordance with the applicable financial reporting framework, the Chief Financial Officer is responsible for:

- Maintaining proper accounting records;

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;

- such internal controls as the Chief Financial Officer determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and

- assessing arc21's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting on the assumption that the functions of arc21 will continue in operational existence for the foreseeable future, unless the Chief Financial Officer anticipates that the services provided by arc21 will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to arc21 through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26;

- making enquires of management and those charged with governance on arc21's compliance with laws and regulations;

- making enquiries of internal audit, management and those charged with governance as to susceptibility to fraud, their assessment of the risk of material misstatement due to fraud, and their knowledge of actual, suspected and alleged fraud;

- completing risk assessment procedures to assess the susceptibility of arc21's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: posting of unusual journals;

- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;

- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;

- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and

- addressing the risk of fraud as a result of management override of controls by:
    - performing analytical procedures to identify unusual or unexpected relationships or movements;
    - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
    - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
    - investigating significant or unusual transactions made outside of the normal course of business.

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

This report is made solely to the Members of the Joint Committee in arc21 in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities of the Local Government Auditor and Local Government Bodies.

Certificate

I certify that I have completed the audit of accounts of arc21 in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

Brian O'Neill

Brian O'Neill
Local Government Auditor
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

28 September 2026

Movement in Reserves Statement for the year ended 31 March 2026

	General Reserves	Statutory Reserves	Other Fund Balances & Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Joint Committee Reserves
	£	£	£	£	£	£	£
At 1 April 2024	**772,093**	**0**	**0**	**2,010**	**774,103**	**103,000**	**877,103**
Movements on reserves during the year:							
Surplus/(Deficit) on the Provision of Services	48,337	0	0	0	48,337	0	48,337
Other Comprehensive Income and Expenditure	0	0	0	0	0	(99,000)	(99,000)
Total Comprehensive Income and Expenditure	**48,337**	**0**	**0**	**0**	**48,337**	**(99,000)**	**(50,663)**
Adjustments between accounting basis & funding basis under regulations	4,000	0	0	0	4,000	(4,000)	0
Net Increase/(Decrease) before Transfers to Earmarked Reserves	**52,337**	**0**	**0**	**0**	**52,337**	**(103,000)**	**(50,663)**
Transfers (to)/from Earmarked Reserves	0	0	0	0	0	0	0
Increase/(Decrease) in Year	**52,337**	**0**	**0**	**0**	**52,337**	**(103,000)**	**(50,663)**
At 31 March 2025	**824,430**	**0**	**0**	**2,010**	**826,440**	**0**	**826,440**
Movements on reserves during the year:							
Surplus/(Deficit) on the Provision of Services	73,486	0	0	0	73,486	0	73,486
Other Comprehensive Income and Expenditure	0	0	0	0	0	(13,000)	(13,000)
Total Comprehensive Income and Expenditure	**73,486**	**0**	**0**	**0**	**73,486**	**(13,000)**	**60,486**
Adjustments between accounting basis & funding basis under regulations	(13,000)	0	0	0	(13,000)	13,000	0
Net Increase/(Decrease) before Transfers to Earmarked Reserves	**60,486**	**0**	**0**	**0**	**60,486**	**0**	**60,486**
Transfers (to)/from Earmarked Reserves	0	0	0	0	0	0	0
Increase/(Decrease) in Year	**60,486**	**0**	**0**	**0**	**60,486**	**0**	**60,486**
At 31 March 2026	**884,916**	**0**	**0**	**2,010**	**886,926**	**0**	**886,926**

Comprehensive Income and Expenditure Statement for the year ended 31 March 2026

This statement shows the income earned and expenditure incurred during the year by the Joint Committee in accordance with generally accepted accounting practices.

	Notes	**2025/26**	**2024/25**
INCOME:		**£**	**£**
Participant Councils	***29***	1,217,650	1,148,200
Financing and Investment Income	***8d***	92,655	110,623
Contract Income:			
Landfill Service and Residual Waste		31,290,268	28,505,121
Organic Waste		10,572,765	10,673,798
Mixed Dry Recyclates		3,951,304	3,867,349
Haulage		3,369,242	2,129,989
Supplies		1,512,833	1,956,260
Street Sweepings		523,196	617,291
Bring Service		349,958	523,180
WEEE		4,799	5,189
	7a	51,574,365	48,278,177
TOTAL INCOME		**52,884,670**	**49,537,000**
EXPENDITURE:			
Employee Costs	***6a***	667,597	689,331
Financing and Investment Expenditure	***8d***	1,413	1,817
Surplus / (Deficit) on Non-Current Assets	***7c***	-	-
Other Costs and Administrative Costs		567,809	519,338
Contract Expenditure:			
Landfill Service and Residual Waste		31,290,268	28,505,121
Organic Waste		10,572,765	10,673,798
Mixed Dry Recyclates		3,951,304	3,867,349
Haulage		3,369,242	2,129,989
Supplies		1,512,833	1,956,260
Street Sweepings		523,196	617,291
Bring Service		349,958	523,180
WEEE		4,799	5,189
	7b	51,574,365	48,278,177
TOTAL EXPENDITURE		**52,811,184**	**49,488,663**
SURPLUS / (DEFICIT) ON THE PROVISION OF SERVICES		**73,486**	**48,337**
Re-measurement of the Net Defined Benefit Liability (Asset)	***20d***	(13,000)	(99,000)
Other Comprehensive Income and Expenditure		**(13,000)**	**(99,000)**
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE		**60,486**	**(50,663)**

Balance Sheet as at 31 March 2026

The Balance Sheet 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'.

	Notes	**2025/26**	**2024/25**
		£	**£**
Property, Plant, & Equipment:			
Land & Buildings	***10***	73,213	97,617
Infrastructure Assets	***10***	0	0
Assets Under Construction	***10***	0	0
Long Term Debtors	***20c***	0	0
TOTAL LONG TERM ASSETS		**73,213**	**97,617**
Inventories	***13***	0	0
Short Term Debtors	***14***	3,372,676	1,402,941
Cash and Cash Equivalents	***15/24b***	3,045,778	4,744,929
Assets Held For Sale	***15/24b***	0	0
CURRENT ASSETS		**6,418,454**	**6,147,870**
Bank Overdraft		0	0
Short Term Borrowing	***16a***	24,397	23,987
Short Term Creditors	***17***	5,530,290	5,320,609
Provisions		0	0
CURRENT LIABILITIES		**5,554,687**	**5,344,596**
Long Term Creditors	***17b***	0	0
Provisions	***18***	0	0
Long Term Borrowing	***16b***	50,054	74,451
Other Long Term Liabilities	***20***	0	0
Donated Assets Account	***21***	0	0
Capital Grant Receipts In Advance	***22***	0	0
LONG TERM LIABILITIES		**50,054**	**74,451**
NET ASSETS		**886,926**	**826,440**
USABLE RESERVES:			
Capital Receipts Reserve	***25***	2,010	2,010
General Reserves	***25***	884,916	824,430
UNUSABLE RESERVES:			
Capital Adjustment Account	***25***	0	0
Pensions Reserve	***25***	0	0
NET WORTH		**886,926**	**826,440**

Cash Flow Statement as at 31 March 2026

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. The Joint Committee reports cash flows from operating activities using the indirect method, whereby the net Surplus or Deficit on the Provision of Services is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing or financing cash flows.

	Notes	2025/26	2024/25
		£	£
Net Surplus / (Deficit) on the Provision of Services		73,486	48,337
Adjustment to surplus or deficit on the provision of services for noncash movements	*24a*	(1,748,650)	481,913
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		0	0
Net Cashflows from Operating Activities		**(1,675,164)**	**530,250**
Net Cashflows from Investing Activities	*24d*	0	0
Net Cashflows from Financing Activities	*24e*	(23,987)	(23,585)
Net Increase or Decrease in Cash & Cash Equivalents		**(1,699,151)**	**506,665**
Cash & Cash Equivalents at the beginning of the reporting period		**4,744,929**	**4,238,264**
Cash & Cash Equivalents at the end of the reporting period		**3,045,778**	**4,744,929**

Notes to the Financial Statements

1. Accounting Policies

1a) General Principles

The Statement of Accounts summarises the Joint Committee's transactions for the 2025/26 financial year and its position at the year-end, 31 March 2026. The Joint Committee is required to prepare an annual Statement of Accounts in a form directed by the Department for Communities in accordance with regulations 3 (7) and (8) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 and the Service Reporting Code of Practice (SeRCOP) 2025/26, 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 2025/26 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 no more than six months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Joint Committee's cash management.

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) Acquisitions / Discontinued Operations

There were no acquisitions / discontinued operations in the year.

vi) Employee Benefits

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

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the 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 at the earlier of: a) when the offer cannot be refused, or b) when the related restructuring costs are incurred.

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 Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) scheme. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees who worked for the Joint Committee.

NILGOSC Pension Fund

The Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) pension scheme is accounted for as a defined benefits scheme.

The liabilities of the NILGOSC scheme attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 6.2% (5.8% in 2024/25) as determined by reference to indicative market yields at the accounting date on high quality corporate bonds on the iBoxx Sterling Corporate AA Index.

The assets of the NILGOSC scheme attributable to the Joint Committee are included in the Balance Sheet at their fair value:

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

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

Within the Expenditure Cost

· **Current Service Cost** – the increase in the present value of the defined benefit obligation (liabilities) resulting from employee service in the current period.

· **Past Service Cost** – (where applicable) the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or change to, a defined benefit plan) or a curtailment (a significant reduction in the number of employees covered by the plan).

- **Any Gains or Losses on Settlement** – (where applicable) arising where the Joint Committee enters into a transaction that eliminates all further legal or constructive obligations for part or all of the benefits provided under a defined benefit plan.

Within Financing and Investment Income and Expenditure

- **Net Interest on the Net Defined Benefit Liability (Asset)** – the change in the net defined benefit liability (asset) that arises from the passage of time.

Within Other Comprehensive Income and Expenditure (Remeasurements)

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

- **Actuarial Gains and Losses** – changes in the present value of the defined benefit obligation resulting from: a) experience adjustments (the effect of differences between the previous actuarial assumptions and what has actually occurred) and b) the effects of changes in actuarial assumptions.

- **Any change in the Effect of the Asset Ceiling** – (where applicable) excluding amounts included in the Net Interest on the Net Defined Benefit Liability (Asset).

Within the Movement in Reserves Statement Appropriations

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

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

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

Discretionary Benefits

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

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; and

- 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 their 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) 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.

xi) Leases

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

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.

<u>The Joint Committee as Lessee</u>

Right of Use Assets held under Leasing Arrangements:

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 are 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.

xii) Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2025/26 (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received.

xiii) 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.

<u>Recognition</u>

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.

<u>Measurement</u>

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; and
- 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.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives.

Depreciation is charged on a straight-line basis on each main class of tangible asset as follows:

- buildings, installations, and fittings are depreciated on their historic value over the estimated remaining life of the asset as advised by the valuer. Depending on the type of building, installation or fitting the maximum useful life will be in the range of 15 to 50 years.

- plant, vehicles and equipment (excluding IT equipment) are depreciated on historic cost using a standard life in the range of 5 to 10 years.

- a full year's depreciation is charged in the year of acquisition and none in the year of disposal.

xiv) 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.

xv) 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.

xvi) 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; and
- amortisation of intangible fixed assets.

Depreciation, impairment losses and amortisations are replaced by minimum 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.

xvii) 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.

xviii) Insurance Policies

The authority has a range of Insurance Policies in place to meet its operational requirements and costs incurred are charged to the Comprehensive Income and Expenditure Statement.

The major policies in place are:

Employers' Liability Insurance
Professional Indemnity Insurance
Public Liability Insurance
Business Interruption Insurance
Office Contents Insurance
Commercial Legal Protection Insurance
Crime Insurance
Computer Insurance

The level and type of insurance in place to meet the operational needs of the authority is kept under review.

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

At present there are no issued but unadopted Accounting Standards directly applicable to arc21.

1c) Critical Judgements in Applying Accounting Policies

In applying accounting policies the Joint Committee may have to make certain judgements about complex transactions or those involving uncertainty about future events. However, there are no critical judgements required to be made in these Statement of Accounts.

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

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

There are no items in the Joint Committee's Balance Sheet at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year, but the following notes regarding the pension liability and arrears are presented for the reader's information:

i) Pensions Liability

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

The effects on the net pension liability of changes in individual assumptions can be measured. However, the assumptions interact in complex ways and the figures, calculated by the consulting actuaries, are reflected in these Financial Statements.

ii) Provision For Bad Debts

At 31 March 2026, the Joint Committee made no provision for bad and doubtful debts. A review of the customer profile and the significant balances suggests that there is no material risk of non-collection of debtor balances.

2. Segmental Reporting Analysis

In accordance with the Code of Practice on Local Authority Accounting, the Comprehensive Income and Expenditure Statement should be supported by information on individual reportable segments presented within the notes. Reportable segments are based on the Joint Committee's internal management reporting, for example departments, directorates or portfolios.

For each reportable segment, an analysis of the income and expenditure for that segment (ie a subjective analysis) is presented, to include those items of income and expenditure that are reported as part of internal management reporting. This analysis may include items that do not form part of the Comprehensive Income and Expenditure Statement (for example, that statutory provision for the repayment of debt) and exclude items that do form part of the Comprehensive Income and Expenditure Statement (for example, depreciation).

Since the Joint Committee operates as one unit in a single geographical area it is not deemed necessary or appropriate to produce segmental reporting. For completeness, year-on-year comparisons are shown below:

Income/Expenditure	**2025/26**	**2024/25**
	£	**£**
Income from participating Councils	52,016,503	48,463,783
Government grants and contributions	0	0
Fees, charges and other service income	775,512	962,594
Interest and investment income	92,655	110,623
Surplus or deficit on associates and joint ventures	0	0
Total Income	**52,884,670**	**49,537,000**
Employee expenses	667,597	689,331
Other service expenses	52,057,174	48,676,826
Residual Waste Treatment Project Costs	85,000	120,689
Depreciation, amortisation and impairment	0	0
Interest payments	1,413	1,817
Total Expenditure	**52,811,184**	**49,488,663**
Other items	0	0
CONTINUING OPERATIONS	**73,486**	**48,337**

3. Adjustments between accounting basis and funding basis under regulations

	Notes	2025/26 £	2025/26 £	2024/25 £	2024/25 £
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:					
Impairments (losses & reversals) of non-current assets	*10a/10b*	0		0	
Derecognition (other than disposal) of non-current assets	*10a/10b*	0		0	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	*10a/10b*	0		0	
Depreciation charged in the year on non-current assets	*10a/10b,24a*	24,404	24,404	24,404	24,404
Net Revenue expenditure funded from capital under statute			0		0
Carrying amount of non-current assets sold	*10a/10b*	0		0	
Proceeds from the sale of PP&E, investment property and intangible assets	*24a,25*	0	0	0	0
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	*25*		0		0
Net charges made for retirement benefits in accordance with IAS 19	*20b*		61,000		88,000
Direct revenue financing of Capital Expenditure	*11,25*		(24,404)		(24,404)
Capital Grants and Donated Assets Receivable and Applied in year			0		0
Capital Grants Receivable and Unapplied in year			0		0
Adjustments in relation to Short-term compensated absences	*17*		0		0
Adjustments in relation to Lessor Arrangements			0		0
Provisions discount rate reserve adjustment	*25a/25b*		0		0
Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Reserves Balance for the year:					
Statutory Provision for the financing of Capital Investment	*25a/25b*		0		0
Employers contributions payable to the NILGOSC Pension Fund and retirement benefits payable direct to pensioners	*20b*		(74,000)		(84,000)
			(13,000)		**4,000**

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.

	2025/26	2024/25
	£	£
External Audit Fees	17,350	17,900
National Fraud Initiative Exercise	0	0
Other Fees	0	0
Total	**17,350**	**17,900**

There were no other fees payable in respect of other services by the appointed auditor over and above those described above.

5. Finance Leases

The Joint Committee does not operate as a lessor.

As a lessee, the Joint Committee has entered into a lease for office rent, which is applicable for treatment as a "Right of Use" asset under IFRS 16. At year-end the net carrying amount for this is £74,451 (£98,438 as at 31/3/25), with the asset being included under Land and Buildings (see note 10c – Leased Assets).

Future minimum finance lease payments at the end of each reporting period under review are included in the Balance Sheet as follows:

		as at 31/3/26	as at 31/3/25
		£	£
Current Liabilites	Within 1 year	24,397	23,987
Long Term Liabilities	1 to 5 years	50,054	74,451
Long Term Liabilities	After 5 years	0	0
Total		**74,451**	**98,438**

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

	2025/26	2024/25
Comprehensive Income and Expenditure Statement	**£**	**£**
Interest expense on lease liabilities	1,413	1,817
Expenses relating to short-term leases	0	0
Expenses relating to exempt leases of low-value items	470	470
Variable lease payments not included in the measurement	0	0
Income from subletting right-of-use assets	0	0
Expense relating to operating leases prior to implementation of IFRS 16	0	0
Gains or lossess arising from sale and leaseback transactions	0	0
Balance Sheet	**£**	**£**
Repayment of lease liabilities held on the Balance Sheet	23,987	23,583
Cash Flow Statement	**£**	**£**
Total cash outflow for leases	25,400	25,400

6. Employee Costs

6a) Staff Costs

	2025/26	2024/25
	£	£
Salaries and Wages	511,027	514,479
Employers' National Insurance	71,404	60,758
Employers' pension costs	96,166	102,094
Total Staff Costs Prior to IFRS Adjustments	678,597	677,331
IFRS Related Adjustments:		
Current Service Costs	63,000	96,000
Less Pension Cost – Contribution by the Employer	(74,000)	(84,000)
Total Staff Costs	**667,597**	**689,331**

In addition, agency costs during the year amounted to £38,624 (2024/25 £24,242).

6b) Average Number of Employees - where FTE represents full-time equivalent employees

	2025/26	2024/25
	FTE	FTE
Full-time numbers employed	8.0	8.0
Part-time numbers employed	0.0	0.8
Total	**8.0**	**8.8**

6c) Senior Employees' Remuneration

	2025/26	2024/25
Remuneration – current employees FTE at year-end	**Number**	**Number**
£60,001 to £70,000	1	1
£70,001 to £80,000	0	0
£80,001 to £90,000	1	1
£90,001 to £100,000	0	0
£100,001 to £110,000	0	1
£110,001 to £120,000	1	0
Total	**3**	**3**

7. Operating Income and Expenditure

7a) Contract Income

The year-on-year analysis of contract income is shown below.

	2025/26	2024/25
	£	£
Antrim & Newtownabbey Borough Council	8,162,942	6,273,295
Ards & North Down Borough Council	7,112,665	7,095,482
Belfast City Council	17,249,139	16,819,539
Lisburn & Castlereagh City Council	7,851,415	6,919,696
Mid & East Antrim Borough Council	7,091,122	6,886,157
Newry, Mourne & Down District Council	3,331,572	3,321,416
Sub-Total (Participant Councils)	**50,798,855**	**47,315,585**
Other Contract Revenue	775,510	962,592
Total	**51,574,365**	**48,278,177**

7b) Contract Expenditure

The year-on-year analysis of contract expenditure is shown below.

	2025/26	2024/25
	£	£
Antrim & Newtownabbey Borough Council	429,847	383,800
Ards & North Down Borough Council	50,716	98,812
Belfast City Council	112,034	182,108
Lisburn & Castlereagh City Council	76,707	110,662
Mid & East Antrim Borough Council	37,225	58,760
Newry, Mourne & Down District Council	68,057	128,456
Sub-Total (Participant Councils)	**774,586**	**962,598**
Other Contract Expenditure	50,799,779	47,315,579
Total	**51,574,365**	**48,278,177**

7c) Surplus / (Deficit) on Non-Current Assets

	2025/26	2024/25
	£	£
Proceeds from sale	0	0
Carrying amount from non-current assets sold/disposed	0	0
Total	**0**	**0**

8. Financing and Investment Income and Expenditure

8a) Interest Payable and Similar Charges

	2025/26	2024/25
	£	£
Finance lease interest	1,413	1,817
Bank interest	0	0
Other interest	0	0
	1,413	**1,817**

8b) Interest and Investment Income

	2025/26	2024/25
	£	£
Current account interest received	0	0
Short-term deposit interest received	90,655	102,623
	90,655	**102,623**

8c) Pension Interest Cost

	2025/26	2024/25
	£	£
Net interest on the net defined benefit liability / (asset)	(2,000)	(8,000)
	(2,000)	**(8,000)**

8d) Summary of Financing and Investment Income & Expenditure

	2025/26			2024/25		
	Gross Expenditure	Gross Income	Net Cost	Gross Expenditure	Gross Income	Net Cost
	£	£	£			£
Interest payable and similar charges	1,413	0	1,413	1,817	0	1,817
Interest and investment (income)	0	(90,655)	(90,655)	0	(102,623)	(102,623)
Pension interest cost / (income)	0	(2,000)	(2,000)	0	(8,000)	(8,000)
Total	**1,413**	**(92,655)**	**(91,242)**	**1,817**	**(110,623)**	**(108,806)**

9. Government Grants

The Joint Committee has not received any Government Grants in the current or the prior year.

10. Non Current Assets

10a) Non Current Assets Note – Current Year

	Land & Buildings	Infrastructure Assets	Property, Plant & Equipment	Assets Under Construction	Total
	£	£	£	£	£
Cost or Valuation					
At 1 April 2025	122,021	0	17,021	0	**139,042**
Revaluation	0	0	0	0	**0**
Additions	0	0	0	0	**0**
Transfers	0	0	0	0	**0**
Disposals	0	0	0	0	**0**
At 31 March 2026	**122,021**	**0**	**17,021**	**0**	**139,042**
Depreciation					
At 1 April 2025	24,404	0	17,021	0	**41,425**
Charge	24,404	0	0	0	**24,404**
Disposals	0	0	0	0	**0**
Transfers	0	0	0	0	**0**
At 31 March 2026	**48,808**	**0**	**17,021**	**0**	**65,829**
Net Book Value					
At 31 March 2026	**73,213**	**0**	**0**	**0**	**73,213**
At 31 March 2025	**97,617**	**0**	**0**	**0**	**97,617**

10b) Non Current Assets Note – Comparative Year

	Land & Buildings	Infrastructure Assets	Property, Plant & Equipment	Assets Under Construction	Total
	£	£	£	£	£
Cost or Valuation					
At 1 April 2024	0	0	17,021	0	**17,021**
Revaluation	0	0	0	0	**0**
Additions	122,021	0	0	0	**122,021**
Transfers	0	0	0	0	**0**
Disposals	0	0	0	0	**0**
At 31 March 2025	**122,021**	**0**	**17,021**	**0**	**139,042**
Depreciation					
At 1 April 2024	0	0	17,021	0	**17,021**
Charge	24,404	0	0	0	**24,404**
Disposals	0	0	0	0	**0**
Transfers	0	0	0	0	**0**
At 31 March 2025	**24,404**	**0**	**17,021**	**0**	**41,425**
Net Book Value					
At 31 March 2025	**97,617**	**0**	**0**	**0**	**97,617**
At 31 March 2024	**0**	**0**	**0**	**0**	**0**

10c) Non Current Assets Note – Right of Use Assets Held Under Leases

	Land & Buildings 2025/26	Land & Buildings 2024/25
	£	**£**
Cost or Valuation		
At 1 April	122,021	0
Additions	0	122,021
Disposals	0	0
At 31 March	**122,021**	**122,021**
Depreciation		
At 1 April	24,404	0
Disposals	0	0
Provided for year	24,404	24,404
At 31 March	**48,808**	**24,404**
Net Book Value		
At 31 March	**73,213**	**97,617**

11. Capital Expenditure and Capital Financing

The total Capital Expenditure incurred in the year (and comparative year) is shown below – including the value of assets acquired under finance leases and PFI/PPP contracts together with the resources that have been used to finance it. Where Capital Expenditure is to be financed in future years by charges to revenue as assets are used, the expenditure results in an increase in the CFR, a measure of the Capital Expenditure incurred historically by the Joint Committee that has yet to be financed. The CFR is analysed in the second part of the note.

	2025/26	2024/25
	£	£
Opening Capital Financing Requirement	97,617	0
Capital Investment:		
Property, Plant and Equipment	0	122,021
Investment Properties	0	0
Intangible Assets	0	0
Revenue Expenditure Funded from Capital under Statute	0	0
Sources of Finance:		
Capital Receipts	0	0
Government Grants and Other Contributions	0	0
Transfers from Earmarked Reserves	0	0
Sums set aside from Revenue:		
Direct Revenue Contributions	(24,404)	(24,404)
Minimum Revenue Provision*	0	0
Closing Capital Financing Requirement	**73,213**	**97,617**
Explanation of Movements in Year		
Increase in underlying need to borrow	0	0
Assets acquired under finance leases	73,213	97,617
Assets acquired under PFI/PPP contracts	0	0
Increase/(Decrease) in Capital Financing Requirement	**73,213**	**97,617**

* Note prior year figures for Minimum Revenue Provision reflect the cost of Loans Principal Repayments previously charged to the General Fund. Under the Local Government Finance Act (Northern Ireland) 2011, Minimum Revenue Provision is applied from 1st April 2012.

12. Future Capital Commitments

At the year ended 31 March 2026, arc21 had not signed any contract nor received any instruction to enter into any future capital commitments.

In relation to the Residual Waste Treatment Project, arc21 expect in the future, on the completion of the current procurement process, to be in a position to acquire land and property for the construction of facilities and road improvements to provide the necessary waste treatment services. Such acquisitions will be subject to independent professional advice from the Land and Property Services Agency of the Department of Finance and will be accounted for in the relevant financial year.

13. Inventories

There are no stock items other than immaterial items such as stationery which are fully charged to the Income and Expenditure Account on purchase.

14. Debtors

Short Term Debtors:	2025/26	2024/25
	£	£
Government Departments	0	0
Councils	3,046,655	1,117,801
Grants	0	0
Value Added Tax	0	0
Prepayments	4,452	5,003
Other	321,569	280,137
less: provision for doubtful debts	0	0
Total	**3,372,676**	**1,402,941**

15. Cash and Cash Equivalents

	2025/26	2024/25
	£	£
Bank deposits	3,040,087	4,733,487
Current account	5,691	11,442
Petty cash	0	0
Total	**3,045,778**	**4,744,929**

16. Borrowing

16a) Short Term Borrowing

	2025/26	2024/25
	£	£
Loan re-payable within one year	0	0
Finance Lease Principal	24,397	23,987
Total	**24,397**	**23,987**

16b) Long Term Borrowing

	2025/26	2024/25
	£	£
Finance Lease - between 1 and 2 years	24,815	24,397
Finance Lease - between 2 and 5 years	25,239	50,054
Finance Lease - between 5 and 10 years	0	0
Finance lease - in more than 10 years	0	0
Government Loans Fund	0	0
Total Long Term Borrowing	**50,054**	**74,451**
Total Borrowing	**74,451**	**98,438**

17. Creditors

17a) Short Term Creditors

Short Term Creditors:	2025/26	2024/25
	£	£
Government Departments	0	0
Councils	291,053	271,867
Receipts in advance	0	0
Trade creditors	5,144,560	4,995,825
Value Added Tax	56,183	27,930
Other	38,494	24,987
Total	**5,530,290**	**5,320,609**

17b) Long Term Creditors

There are no long term creditors.

17c) Payment of Invoices

In terms of payment of invoices to suppliers, arc21 has a target of complying with the contractual obligations entered into with each individual supplier which on average results in an obligation to pay invoices within 30 days. During the year, the Joint Committee paid 98% (98% in 2024/25) of supplier's invoices within this timescale. During the year, arc21 paid 968 invoices (896 in 2024/25) with a total expenditure of £52.8m (£49.5m in 2024/25) (excluding VAT).

The Minister at the Department of Finance had previously reduced the target for the payment of invoices for central government departments to 10 days. This target is not mandatory on local government but arc21 endeavours to process invoices as quickly as possible within its contractual obligations whilst at the same time maintaining the correct stringent level of verification and checking that is required.

18. Provisions

The Joint Committee has no provisions.

19. Financial Instruments

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

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the 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:

	As at 31/3/26	As at 31/3/25
	£	£
Less than three months	3,372,212	1,402,671
Three to six months	464	270
Six months to one year	0	0
More than one year	0	0
Total	**3,372,676**	**1,402,941**

There is no historical experience of default in relation to deposits with banks and other financial institutions and 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 Consolidated Fund, there is no significant risk that it will be unable to raise finance to meet its commitments under Financial Instruments. To date, the Joint Committee has not required the use of borrowing facilities.

Market Risk

<u>Interest rate risk</u>
The Joint Committee is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Further comment on this issue has been made in the Explanatory Foreword

<u>Foreign exchange risk</u>
The Joint Committee has no financial assets or liabilities denominated in foreign currencies and thus have no material exposure to loss arising from movements in exchange rates.

20. Retirement Benefits

20a) Participation in the arc21 Joint Committee Pension Fund

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

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

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

The Joint Committee recognises the cost of retirement benefits in the Comprehensive Income and Expenditure Statement when they are earned by employees, rather than when the benefits are eventually paid as pensions.

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

	2025/26	2024/25
	£	£
Net cost of services:		
Current service cost	63,000	96,000
Past service cost/(gain)	0	0
Gains and losses on settlements or curtailments	0	0
Net operating expenditure:		
Net interest on net defined benefit liability (asset)	(2,000)	(8,000)
Net charge to the Comprehensive Income and Expenditure Statement	**61,000**	**88,000**
Adjustments between accounting basis & funding basis under regulations:		
Reversal of net charges made for retirement benefits in accordance with IAS 19	(61,000)	(88,000)
Actual amount charged against the general fund balance for pensions in the year:		
Employers' contributions payable to scheme	74,000	84,000
Net charge to the Comprehensive Income and Expenditure Statement	**13,000**	**(4,000)**

The service cost figures include an allowance for administration expenses of £0.002m.

Remeasurement recognised in Other Comprehensive Income and Expenditure

	2025/26	2024/25
	£	£
Liability gain/(loss) due to change in assumptions	(1,000)	678,000
Liability experience gain/(loss) arising in the year	38,000	(7,000)
Actuarial gain/(loss) on plan assets	223,000	(56,000)
Adjustment loss/(gain) due to restriction of surplus	(273,000)	(714,000)
Total gains/(losses) recognised in Other Comprehensive Income and Expenditure	**(13,000)**	**(99,000)**

20c) Assets and liabilities in relation to retirement benefits

Reconciliation of present value of the scheme liabilities:

	2025/26	2024/25
	£	£
Balance as at 1 April	**3,977,000**	**4,505,000**
Current service cost	63,000	96,000
Interest cost	224,000	212,000
Contributions by members	29,000	31,000
Remeasurement (gains) and losses:		
- Actuarial losses/(gains) arising on liabilities from experience	(38,000)	7,000
- Actuarial losses/(gains) arising from demographic changes	49,000	(34,000)
- Actuarial losses/(gains) arising from changes in financial assumptions	(48,000)	(644,000)
Losses/(gains) on curtailments	0	0
Liabilities extinguished on settlements	0	0
Estimated unfunded benefits paid	0	0
Estimated benefits paid	(272,000)	(196,000)
Balance as at 31 March	**3,984,000**	**3,977,000**

Reconciliation of present value of the scheme assets:

	2025/26	2024/25
	£	£
Balance as at 1 April	**5,071,000**	**4,971,000**
Interest income	289,000	237,000
Contributions by members	29,000	31,000
Contributions by employer	74,000	84,000
Contributions in respect of unfunded benefits	0	0
Remeasurement gain/(loss)	223,000	(56,000)
Assets distributed on settlements	0	0
Unfunded benefits paid	0	0
Benefits paid	(272,000)	(196,000)
Balance as at 31 March	**5,414,000**	**5,071,000**

The Joint Committee has been advised by the consulting actuary, Aon Solutions UK Limited, that the return on the Fund in market value terms for the year to 31 March 2026 is estimated based on actual Fund returns as provided by the Administering Authority and index returns where necessary. The overall Fund return over the accounting period has been calculated as 9.3% gain (3.7% gain in 2024/25).

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

The actual return on scheme assets in the year was a gain of £512k (£181k gain in 2024/25).

Fair Value of Plan Assets

	31/03/2026	31/03/2025	31/03/2024
	£	£	£
Equity investments	2,333,000	2,094,000	2,173,000
Government Bonds	1,159,000	796,000	865,000
Property	525,000	482,000	482,000
Cash	146,000	543,000	278,000
Corporate Bonds	222,000	198,000	209,000
Other	1,029,000	958,000	964,000
	5,414,000	**5,071,000**	**4,971,000**

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

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

	31/03/2026	31/03/2025	31/03/2024
	£	£	£
Fair Value of Employer Assets	5,414,000	5,071,000	4,971,000
Present value of funded liabilities	(3,984,000)	(3,977,000)	(4,505,000)
Net (Under)/Overfunding in Funded Plans	**1,430,000**	**1,094,000**	**466,000**
Present value of unfunded defined benefit obligation	0	0	0
Adjustment gain / (loss) due to restriction of surplus	(1,430,000)	(1,094,000)	(363,000)
Net Asset/(Liability) arising from the defined benefit obligation	**0**	**0**	**103,000**
Amount in the Balance sheet:			
Liabilities	0	0	0
Assets	0	0	103,000
Net Asset/(Liability)	**0**	**0**	**103,000**

20d) Scheme History

Analysis of Scheme Assets and Liabilities

	31/03/2026	31/03/2025	31/03/2024
	£	£	£
Fair Value of Assets in pension scheme	5,414,000	5,071,000	4,971,000
Present Value of Defined Benefit Obligation	(3,984,000)	(3,977,000)	(4,505,000)
Surplus/(deficit) in the Scheme	**1,430,000**	**1,094,000**	**466,000**

Amount recognised in Other Comprehensive Income and Expenditure

	31/03/2026	31/03/2025	31/03/2024
	£	£	£
Actuarial gains/(losses)	(13,000)	(99,000)	37,000
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	0	0	0
Actuarial gains/(losses) recognised in Other Comprehensive Income and Expenditure	(13,000)	(99,000)	37,000
Cumulative actuarial gains and losses	**181,000**	**194,000**	**293,000**
History of experience gains and losses:			
Experience gains and (losses) on assets	223,000	(56,000)	(262,000)
Experience gains and (losses) on liabilities	38,000	(7,000)	62,000

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £3,984,000 together with an adjustment loss of £1,430,000 due to restriction of surplus, is fully offset against the scheme assets of £5,414,000. The net result is that there is no net asset or liability required to be recognised in the Balance Sheet as at 31 March 2026.

However, statutory arrangements for funding the deficit mean that the financial position of the Joint Committee remains healthy. The deficit on the NILGOSC Pension Fund should be made good by increased contributions over the remaining working life of employees, assessed by the scheme actuary and approved by the Department for Communities.

Analysis of Projected Amount to be Charged to the Comprehensive Income and Expenditure Statement for the Year to 31 March 2027

	2026/27	2026/27
	£	As % of pensionable pay
Projected current cost	66,000	16.3%
Interest on the net defined benefit liability / (asset)	(2,000)	-0.5%
Past service cost	0	0.0%
Total	**64,000**	**15.80%**

The total contributions expected to be made to the arc21 Joint Committee (NILGOSC) Pension Fund by the Joint Committee in the year to 31 March 2027 is £63,000.

History of Experience Gains and Losses

The actuarial gains identified as movements on the Pensions Reserve 2025/26 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2026.

	31/03/2026	31/03/2025	31/03/2024
	%	%	%
Experience gains and (losses) on Assets	4.1%	-1.1%	-5.3%
Experience gains and (losses) on Liabilities	-1.0%	0.2%	-1.4%

20e) Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in the future years is dependent on assumptions about mortality rates, salary levels, etc. The Joint Committee's Fund liabilities have been assessed by Aon Hewitt, an independent firm of actuaries, estimates for the Joint Committee Fund being based on data pertaining to the latest full valuation of the scheme as at 31 March 2022.

	31/03/2026	31/03/2025
Mortality assumptions:		
Longevity at 65 current pensioners:		
Men	22.0 years	21.6 years
Women	25.3 years	24.5 years
Longevity at 65 for future pensioners:		
Men	22.3 years	22.2 years
Women	25.6 years	25.2 years
Inflation/Pension Increase Rate	2.80%	2.50%
Salary Increase Rate	4.30%	4.00%
Expected Return on Assets	9.30%	3.70%
Discount Rate	6.20%	5.80%
Take-up of option to convert annual pension into retirement lump sum:		
Service to April 2009	75%	75%
Service post April 2009	75%	75%

20f) Pension Assumptions Sensitivity Analysis

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

The approximate impact of changing key assumptions on the present value of the funded defined benefit obligation as at 31 March 2026 and the projected service cost for the period ending 31 March 2027 is set out below.

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

Funded Pension Scheme Benefits

Discount Rate Assumption			
Adjustment to discount rate	**+0.1% p.a.**	**Base Figure**	**-0.1% p.a.**
Present value of the total obligation (£m's)	3.936	3.984	4.032
% change in the present value of the total obligation	-1.2%		1.2%
Projected service cost (£m's)	0.064	0.066	0.068
Approximate % change in projected service cost	-3.3%		3.4%

Rate of General Increase In Salaries			
Adjustment to salary increase rate	**+0.1% p.a.**	**Base Figure**	**-0.1% p.a.**
Present value of the total obligation (£m's)	3.988	3.984	3.980
% change in the present value of the total obligation	0.1%		-0.1%
Projected service cost (£m's)	0.066	0.066	0.066
Approximate % change in projected service cost	0.0%		0.0%

Rate of Increase to Pensions in Payment and Deferred Pension Assumptions			
Adjustment to pension increase rate	**+0.1% p.a.**	**Base Figure**	**-0.1% p.a.**
Present value of the total obligation (£m's)	4.028	3.984	3.940
% change in the present value of the total obligation	1.1%		-1.1%
Projected service cost (£m's)	0.068	0.066	0.064
Approximate % change in projected service cost	3.4%		-3.3%

Post Retirement Mortality Assumption			
Adjustment to pension increase rate	**-1 year**	**Base Figure**	**+1 year**
Present value of the total obligation (£m's)	4.072	3.984	3.892
% change in the present value of the total obligation	2.2%		-2.3%
Projected service cost (£m's)	0.068	0.066	0.064
Approximate % change in projected service cost	3.3%		-3.4%

20g Major Categories of Plan Assets as Percentage of Total Plan Assets

The arc21 Joint Committee (NILGOSC) Pension Fund's assets consist of the following categories, by proportion of the total assets held:

	31/03/2026	**31/03/2025**	**31/03/2024**
	%	**%**	**%**
Equity investments	43.1	41.3	43.7
Government Bonds	21.4	15.7	17.4
Multi Asset Credit	13.2	13.0	13.3
Property	9.7	9.5	9.7
Cash	2.7	10.7	5.6
Corporate Bonds	4.1	3.9	4.2
Other	5.8	5.9	6.1
	100.0	**100.0**	**100.0**

21. Donated Assets Account

There are no donated assets.

22. Capital Grants Received In Advance

All capital grants received for the purchase of fixed assets are taken to the Government Grants Deferred Account, and this amount is written off to the General Reserves - Income and Expenditure Account over the useful life of the asset. There were no transactions in relation to Deferred Grants during the year.

23. Contingencies

Residual Waste Treatment Project
The Joint Committee has, with the approval of the Participant Councils, entered into a Contingent Liability Undertaking with the bidding consortium in the procurement for the Residual Waste Treatment Project. Payments made, if any, in accordance with this undertaking will be funded by the Participant Councils. No further information on this agreement can be disclosed due to the commercial sensitivity of the procurement process.

Legal Challenge
A legal challenge was made in 2023 to a new contract award which is currently being defended by arc21. The legal process will continue into the 2026/27 financial year. Any material financial effect is considered uncertain.

24a) Analysis of Adjustments to Surplus/Deficit for the year

		2025/26	2024/25
	Note	£	£
Adjustment to surplus for noncash movements			
Depreciation	*3,10*	24,404	24,404
(Increase)/Decrease in debtors		(1,969,736)	(246,219)
Increase/(Decrease) in creditors		209,682	699,728
Payments to Pension Fund		(13,000)	4,000
Carrying value of non-current assets disposed		0	0
		(1,748,650)	**481,913**
Adjustment for items included in the net surplus that are investing and financing activities			
Proceeds from sale of PP&E, investment property and intangible assets		0	0
		0	**0**

24b) Cash and Cash Equivalents

	2025/26	2024/25	2023/24
	£	£	£
Cash and Bank Balances	5,691	11,442	67,962
Short Term Deposits	3,040,087	4,733,487	4,170,302
Total	**3,045,778**	**4,744,929**	**4,238,264**

The Joint Committee classes liquid resources as short-term deposits, which do not have a fixed-term investment date. Only current asset investments are included.

The level of cash balances held are directly related to the level of contracting activity and Participant Councils are invoiced in advance for the main contracts to ensure that sufficient cash is available to meet the contractual requirements of arc21, which run at around £5.3m per month (inclusive of VAT). The level of cash held at the year end is deemed to be prudent to meet the short term obligations of the organisation and represents 5.8% (2024/25 9.6%) of total income.

24c) Cash Flow Statement – Operating Activities

	2025/26	2024/25
The cash flows from operating activities include:	£	£
Interest received	90,655	102,623
Interest paid	1,413	1,817

24d) Cash Flows from Investing Activities

	2025/26	2024/25
	£	£
Purchase of PP&E, investment property and intangible assets	-	-
Purchase of Short Term Investments	-	-
Purchase of Long Term Investments	-	-
Other Payments for Investing Activities	-	-
Proceeds from the sale of PP&E, investment property and intangible assets	-	-
Proceeds from Short Term Investments	-	-
Proceeds from Long Term Investments	-	-
Capital Grants and Contributions Received	-	-
Other Receipts from Investing Activities	-	-
Total	**-**	**-**

24e) Cash Flows from Financing Activities

	2025/26	2024/25
	£	£
Cash Receipts from Short and Long Term Borrowing	-	-
Other Receipts from Financing Activities	-	-
Cash payments for the reduction of the outstanding liability relating to a Finance Lease and on-Balance Sheet PFI contracts	(23,987)	(23,585)
Repayment of Short and Long Term Borrowing	-	-
Other Receipts from Financing Activities	-	-
Total	**(23,987)**	**(23,585)**

25a) Analysis of Movement on Reserves – Current Year

	Note	USABLE RESERVES: Capital Receipts Reserve	USABLE RESERVES: General Reserves	TOTAL USABLE RESERVES	UNUSABLE RESERVES: Capital Adjustment Account	UNUSABLE RESERVES: Pensions Reserve	UNUSABLE RESERVES: Accumulated Absences Account	TOTAL UNUSABLE RESERVES	TOTAL RESERVES
		£	£	£	£	£	£	£	£
	Note	*26a)*	*26f)*		*26g)*	*26k)*	*26m)*		
At 1 April 2025		2,010	824,430	**826,440**	0	0	0	**0**	**826,440**
Movements during the year:									
Direct Revenue Financing	*3,11*		(24,404)	**(24,404)**	24,404			**24,404**	**0**
Depreciation & impairment adjustment	*3*		24,404	**24,404**	(24,404)			**(24,404)**	**0**
Surplus/(Deficit) on the Provision of Services			73,486	**73,486**				**0**	**73,486**
Transfers between Earmarked Reserves and General Reserves				**0**				**0**	**0**
Net movements on Pension Reserve	*3,20*		(13,000)	**(13,000)**		13,000		**13,000**	**0**
Disposal of Fixed Assets/Capital Sales	*3,10*			**0**				**0**	**0**
Capital Receipts used to finance capital expenditure	*3,11*			**0**				**0**	**0**
Revaluation	*10,20*			**0**		(13,000)		**(13,000)**	**(13,000)**
Other Movements				**0**				**0**	**0**
Total movements on reserves during the year (Change in Net Worth)		-	**60,486**	**60,486**	-	-	-	-	**60,486**
At 31 March 2026		**2,010**	**884,916**	**886,926**	**0**	**0**	**0**	**0**	**886,926**

25b) Analysis of Movement on Reserves – Comparative Year

	Note	USABLE RESERVES: Capital Receipts Reserve	USABLE RESERVES: General Reserves	TOTAL USABLE RESERVES	UNUSABLE RESERVES: Capital Adjustment Account	UNUSABLE RESERVES: Pensions Reserve	UNUSABLE RESERVES: Accumulated Absences Account	TOTAL UNUSABLE RESERVES	TOTAL RESERVES
		£	£	£	£	£	£	£	£
	Note	*26a)*	*26f)*		*26g)*	*26k)*	*26m)*		
At 1 April 2024		2,010	772,093	**774,103**	0	103,000	0	**103,000**	**877,103**
Movements during the year:									
Direct Revenue Financing	*3,11*		(24,404)	**(24,404)**	24,404			**24,404**	**0**
Depreciation & impairment adjustment	*3*		24,404	**24,404**	(24,404)			**(24,404)**	**0**
Surplus/(Deficit) on the Provision of Services			48,337	**48,337**				**0**	**48,337**
Transfers between Earmarked Reserves and General Reserves				**0**				**0**	**0**
Net movements on Pension Reserve	*3,20*		4,000	**4,000**		(4,000)		**(4,000)**	**0**
Disposal of Fixed Assets/Capital Sales	*3,10*			**0**				**0**	**0**
Capital Receipts used to finance capital expenditure	*3,11*			**0**				**0**	**0**
Revaluation	*10,20*			**0**		(99,000)		**(99,000)**	**(99,000)**
Other Movements				**0**				**0**	**0**
Total movements on reserves during the year (Change in Net Worth)		**-**	**52,337**	**52,337**	**-**	**(103,000)**	**-**	**(103,000)**	**(50,663)**
At 31 March 2025		**2,010**	**824,430**	**826,440**	**0**	**0**	**0**	**0**	**826,440**

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 no transactions that would require the use of this reserve.

26d) Renewal and Repairs Fund

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

26e) Other Balances & Reserves

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

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.

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 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 the use of this reserve.

26i) Revaluation Reserve

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

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

Please refer to note 20 – Retirement Benefits.

26l) Deferred Capital Receipts Account

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

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 expected to require that the impact on the Comprehensive Income and Expenditure Statement is neutralised by transfers to or from this Accumulated Absences Account.

27. Significant Trading Operations

The Joint Committee is not engaged in any significant trading operations.

28. Agency Services

The Joint Committee is not engaged in the provision of agency services.

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 2025/26 financial year the Joint Committee did not commission any works and services from companies in which Councillors had an interest.

- The Joint Committee did not pay grants to any organisations in which Councillors and Council officers had an interest.

- The Joint Committee provides support to the Participant Councils in relation to the procurement and management of waste related contracts and services.

- The Establishment Costs of arc21 are recharged to the Participant Councils on a population basis. The amounts paid by member councils, as reflected in the Comprehensive Income and Expenditure Statement is shown below.

	2025/26	2024/25
Name	**£**	**£**
Antrim & Newtownabbey Borough Council	157,432	148,856
Ards & North Down Borough Council	176,936	167,119
Belfast City Council	374,994	351,989
Lisburn & Castlereagh City Council	161,527	152,325
Mid & East Antrim Borough Council	149,997	141,918
Newry, Mourne & Down District Council	196,764	185,993
Total	**1,217,650**	**1,148,200**

- Waste related services are charged to individual councils on a per-tonne or on a units-bought basis depending on the specific contract or service provided. The value of these transactions is detailed out in note 7.

- The year-end balances owed between arc21 and the Participant Councils are split out in note 14 (debtors) and in note 17a (creditors).

- The offices of arc21 in Belfast Castle are rented from Belfast City Council. The Joint Committee also purchases various services from Belfast City Council such as IT Support, Legal Services and Internal Audit Services.

30. Events After the Reporting Period

Nothing to report.

Date of Authorisation For Issue

The Chief Financial Officer authorised these financial statements for issue on 28/09/26.