



FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

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Explanatory Foreword

Introduction

The Council's financial performance for the year ended 31 March 2011 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 the United Kingdom 2010/11 (the Code) and the Department of the Environment Accounts Direction, Circular LG 10/11 dated 20th April 2011. It is the purpose of this foreword to explain, in an easily understandable way the financial facts in relation to the Council. Comparative figures have been re-stated to take account of changes in accounting requirements as a result of the introduction of the Code.

This Statement of Accounts explains Antrim Borough Council's finances during the financial year 2010/11 and its financial position at the end of that year. It follows approved accounting standards and is necessarily technical in parts.

The Explanatory Foreword is not part of the financial statements but is prepared on the basis that it is consistent with the financial statements. In addition, the Explanatory Foreword does not purport to comment on Council policies. The content and style of the Explanatory Foreword should be a matter of local judgement.

The Explanatory Foreword should be used to clarify the relationship between the Council's financial statements and other financial information the Council reports externally.

The purpose of the Explanatory Forward is to make the financial statements understandable to as wide an audience as possible. Consequently, non-technical language should be used in the main and care should be taken not to overwhelm the user with too much detail or to obscure the real meaning of the financial statements.

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. Antrim Borough Council does not have material interests in such bodies and accordingly is not required to prepare group financial statements.

The Movement in Reserves Statement

This Statement, as set out on page 18, shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the District Fund Balance for Local Tax purposes. The 'Net Increase / Decrease before Transfers to Statutory and Other Reserves' line shows the statutory District Fund Balance before any discretionary transfers to or from statutory and other reserves undertaken by the Council.

The Comprehensive Income and Expenditure Statement

This statement, as set out on page 19, shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

The Balance Sheet

The Balance Sheet, as set out on page 20, shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, ie those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

The Cash Flow Statement

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

Financial Report

A summary of the income and expenditure (excluding Pension Adjustments) reported by the Council compared to the budget for the year is shown below:

	Estimated	Actual	Variance
	£	£	£
Expenditure	20,971,319	18,253,366	2,717,953
Income from Services	(3,124,990)	(3,614,895)	489,905
Net Cost	17,846,329	14,638,471	3,207,858
Financed by:			
General Grant	(1,034,215)	(1,111,757)	77,542
District Rates	(17,009,423)	(17,373,330)	363,907
Financing	597,309	2,792,252	(2,194,943)
(Surplus)/Deficit	400,000	(1,054,364)	1,454,364

For the year ended 31 March 2011 the Council increased its District Fund Reserve by £1,635k to £3,770k. The Council's budget of £17.8m was supplemented by £364k for prior year finalisation payment of district rates. The total net expenditure reported in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement includes allocations of £43k from the Repairs and Renewals Fund, £750k to the Capital Fund and £1,680k to fund capital expenditure.

Expenditure on capital projects during the year amounted to £3.09million. The most significant schemes completed in 2011 were the Old Courthouse refurbishment at a total project cost of £2,168k, Steeple and Muckamore Playgrounds £1,100k, and Antrim Forum plant replacement £570k. Capital work in progress at the year-end included the Castle Gardens Refurbishment at £1.7million and Antrim Forum Health Suite Refurbishment at £215k.

In 2010/11 the accounts have been prepared under International Financial Reporting Standards (IFRS), having previously been prepared under UK Generally Accepted Accounting Practice. The most significant change has been that the Council's accounts now include the liabilities of the Northern Ireland Local Government Officer's Pension Fund attributable to the Council (explained further in Note 1a).

There was no major change in statutory function in year nor is there any planned for 2011/12. No decision has been made on local government reorganisation.

An increase of 1.45% was applied to the District Rate for 2011/12 to maintain service delivery across all Council functions. Capital provision was made for various operational and business improvement initiatives as well as significant new schemes for the Borough.

Council's borrowing at the year-end was £20.5million offset by loan repayment reserves of £2.6million. No new loans were required in year. Government loan facilities continue in place for ongoing capital schemes if required.

There were no material events after the reporting date.

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

The Council's Responsibilities

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

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

These accounts were approved by Public Services Committee on 23rd June 2011.

The Chief Financial Officer's Responsibilities

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

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

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

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

The Chief Financial Officer is also required to:

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

ANNUAL GOVERNANCE STATEMENT 2010/2011

1. Introduction

With effect from 29th February 2008, the Department of the Environment introduced the requirement on Council's to publish a Governance Statement with its annual statement of account. This statement is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government,' and outlines how the Council is complying with the Framework. This statement also meets the requirements of Regulation 2A of the Local Government Accounts and Audit (Amendment) Regulations (Northern Ireland 2006) in relation to the publication of a statement on internal control.

The system of internal control is a significant part of the governance 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 Antrim Borough Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

2. The Governance Environment

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Council has also a duty to make arrangements to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for ensuring that there exists a robust framework of governance designed to instil a sound system of internal control and support the Council in the achievements of its objectives. A Code of Governance has been developed based on the six principles set out in the CIPFA/SOLACE 'Delivering Good Governance in Local Government: A Framework'. This Code of Governance is supported by Policies, Procedures and Systems that determine and control how the Council manages its affairs. Compliance with this Code of Governance is reviewed on an annual basis and the review forms the basis of the Annual Governance Statement.

The Council's governance framework is underpinned by compliance with governing legislative and regulatory requirements, commitment from the Senior Management Team, the corporate plan, financial procedures, oversight functions including an Audit Committee, regular and timely management information, administrative procedures, whistle blowing procedures, management supervision, delegation and accountability and a commitment to staff development and performance management.

3. Establishing and Monitoring the Achievement of the Council Objectives

The vision for Antrim is "an attractive, outward looking place, where people enjoy an enriched quality of life and increasingly want to live, work, visit and invest." This vision is underpinned by the values that govern how the Council acts and delivers services. The vision and values are supported by

Council's Corporate Themes of "Community," "Environment," "Economy." and "Excellence," which expand upon what the vision means for Antrim and sets out what the Council wants to achieve.

Consultation with Members, staff and partner organisations helped the Council to develop the 6 core values and 6 core outcomes that form the Corporate Plan 2006-2010.

The Corporate Plan has been developed within the scope of broader public policy concerning the environment, health, education, housing, economic growth, sustainable development and a shared future. The plan, against which performance standards are set and measured, is a public statement of the Council's commitment to improve the quality of life for residents and ratepayers. The Corporate Plan 2006-2010 was reviewed during the 2009-10 year to appraise achievements and establish priorities for the 2011 period.

The new Corporate Plan is at draft stage and will again put the community at the heart of the plan which explicitly includes Council's commitment to building on the culture of sound governance and delivering services within a robust corporate governance framework.

4. Community Engagement

Council encourages engagement with our community through a number of channels starting strategically with the publication of our corporate plan and reviews which hold the Council to account on its performance. Council engages with the community through its services via, for example, questionnaires, focus groups and encourages open dialogue through a customer focussed approach. All Council Committees are public and in addition to the above we also gather information through our system (CRM) in order to shape service delivery. Council has a robust complaints procedure in place which is again supported by a system therefore we are able to trace and ensure all complaints are properly investigated. The customer complaints reports are reviewed by the Senior Management Team on a monthly basis.

5. Roles and Responsibilities

The Council operates under the authority of the Local Government (Northern Ireland) Act 1972 and the Royal Charter. It is comprised of 19 elected representatives and is headed by the Mayor and Deputy Mayor who are elected annually at the AGM in June.

5.1 Council Committees

The Council manages the delivery of objectives through a number of Committees which are tasked with focusing on specific business areas.

Environment and Borough Services Committee – This committee oversees the areas of building control, environmental management, operational services, regulatory services and property management

Resources Committee – This committee oversees the areas of legislative compliance, data and records management, internal audit, human resources, finance and ICT.

Development & Leisure Committee – This committee is responsible for driving the Council's leisure, urban and rural regeneration, arts, culture and tourism programmes and initiatives.

Public Services Committee – This committee focuses on the areas of planning, health, roads, water, housing, education and general public service delivery issues.

Community Planning Committee – This committee focuses on community planning within the Borough, working with key stakeholders to ensure a good fit between Council policy and its strategic performance and the quality of its public service delivery.

5.2 Council Sub Committees

The Council has established a number of sub committees including an Audit Sub Committee to support the body corporate by providing oversight of specific aspects of the Council's business.

5.3 Audit Committee

The Audit Committee has been in operation since 2006. It comprises of elected Members and supports the Chief Executive Officer by offering objective advice on issues concerning the risk, control and governance of the organisation and the associated assurances.

5.4 Chief Executive

Operational responsibility for the activities of the Council is under the supervision of the Chief Executive who will implement policy, advise and report on the carrying out of statutory functions, provide information to the organisation to assist it to develop policies and programs, report to stakeholders and maintain the assets and resources of the Council.

5.5 Senior Management

An established Corporate Management Team exists, consisting of the Chief Executive and two Directors. The role of the team is to ensure the vision of the Council is translated into clear objectives to be delivered through the Assistant Directors in the context of robust governance arrangements.

Ultimate responsibility and accountability for the conduct of the Council, in all of its aspects, rests with the Members as the body corporate.

6. Compliance with Established Policies, Procedures, Laws and Regulations

The Council has developed within the local government legislative framework policies and procedures to ensure that, as far as possible, its officers and Members understand the local government environment, their responsibilities and expected standards of conduct. Policies and procedures developed include the Freedom of Information Policy, Whistle Blowing Policy and an Employee Code of Conduct. These policies are complemented by an ongoing programme of training which seeks to maintain and develop Members and staff knowledge and skills.

New employees and Members receive induction awareness training on key policies and procedures and staff receive an Employee Handbook that incorporates the Council's policies and procedures. All policies and procedures are also available to staff via the Council's intranet network.

6.1 Internal Audit

The Council maintains an Internal Audit function which operates in accordance with the Code of Practice for Internal Audit in Local Government in the United Kingdom.

In accordance with the Accounts and Audit Regulations 2006, an internal review of the effectiveness of the system of internal audit has been reported to the Audit Committee.

The internal audit function plans and prioritises its work using a risk based approach. The annual audit plan is discussed with the Chief Executive and formally approved by the Audit Committee.

Internal Audit makes recommendations for improving internal control and part of its work includes monitoring agreed action plans. This includes ensuring compliance with established policies and procedures, particularly financial and contract procedures.

Reports, including an assessment of the adequacy of control and action plans to address weaknesses are submitted to the Audit Committee, the Chief Executive and management.

6.2 Risk Management

Fundamental to the system of internal control is the requirement to maintain effective risk management arrangements. The Council's current risk management process has been in place since 2006 and is underpinned by an approved risk management procedural framework.

The Council maintains Corporate, Directorate and sectional risk registers. These are supported with agreed management response plans and Director assurance statements. Risk registers are subject to formal review every 6 months and procedures provide for the escalation of any emerging risks which are identified outside of the formal review period.

7. Economic, Effective and Efficient Use of Resources

The Council is committed to ensuring the economic, effective and efficient use of resources. This is subject to independent review by both the Internal and External Auditor.

Procurement is an essential component for ensuring cost effective and efficient services. The Council appointed a Procurement Manager in 2007 to take the lead on implementing a comprehensive procurement strategy, which is crucial to ensuring that good value services are provided throughout the Council whilst maintaining a philosophy of continuous improvement.

7.1 Financial Management

A balanced budget will be approved before the start of each year. Budget frameworks also incorporate capital project forecasting and reserve requirements.

The budget explicitly relates to the allocation of financial resources towards the achievement of Councils objectives and priorities. During the year, financial management information is reported to Members, the Senior Management Team, Assistant Director Team and all budget holders on a monthly basis.

It was recognised that if Council is to continue to prosper in the modern environment it should consider measures in addition to financial outturn as a means of evaluating performance. Consideration was given to indicators which reflect the operating performance of services and employees and the level of interaction the Council's customers.

The indicators highlight what the Council has achieved but also what the Council is likely to achieve given current performance. The indicators selected, describe and monitor Councils progress in implementing and achieving objectives for example the Waste Strategy and the Energy Strategy.

The indicators are categorised under four main headings:

Financial indicators including budget reports, estimated penny product against actual penny product, energy cost per square metre, property repairs and maintenance cost per square metre and grounds costs per square metre.

Business process indicators including miles swept, household waste treatment, forum usage, debtor days and creditor days.

Customer relationship focus indicator being requests for service.

Learning & Growth indicators including employee absenteeism and value of built environment construction within the Borough.

The Director of Corporate Services is responsible for the preparation of the Council's Statement of Accounts which in terms of the Code of Practice on Local Authority Accounting in the United

Kingdom (SORP), is required to give a true and fair view of the financial position of the Council at the accounting date and its income and spending for the year.

8. Corporate Social Responsibility:

Antrim Borough Council contributes to shaping the overall future of the area and its citizens and securing their economic, social and environmental well-being. Corporate Social Responsibility (CSR) therefore lies at the very heart of everything we do.

CSR embraces four key aspects of our business, namely governance, the environment, health and safety and the community. A brief overview of our performance across these areas is provided below.

8.1 Corporate Governance:

As is outlined in section 2, this Council is committed to being a responsible leader and ensuring that the highest standards of governance is maintained by virtue of the management arrangements put in place as detailed above.

8.2 Environment

The Council actively seeks to promote environmental responsibility through, compliance with all governing and best practice environmental regulations, promotion of environmentally driven initiatives, sustainable procurement, efficiency of use in our energy and resource consumption and embedding a culture of environmental responsibility among employees and those with whom we do business.

The Council has achieved ISO 14001 accreditation for its Environmental Management System. There is an Environmental Policy for the Council with respect to the Environmental Management System to demonstrate the Council's commitment to continuous improvement and prevention of pollution by reducing the environmental impacts that arise from its business activities and delivery of its services. The Council's Environmental Management System includes the setting and annual review of specific environmental objectives and targets and a commitment to comply with and where possible exceeding the requirements of the applicable legislation, regulations and best practice. Energy use has an important impact on the economic, environmental and social aspects of the Council, and of the Borough as a whole. As part of the Council's role in economic development, community and civic leadership and its commitment to helping Antrim to have a sustainable and healthy environment, the Council has developed an overall Sustainability Strategy. A Property Energy Strategy 2007/12 has been developed that dovetails with the Sustainability Strategy, particularly in terms of the carbon footprint.

The aims of the Property Energy Strategy 2007/12 are:

- To promote the efficient use of energy in Council facilities and activities.
- To maintain comfort levels that promote productivity.
- To maximise economic savings through efficient energy usage.
- To reduce negative effects on the environment.
- To promote the use of renewable energy.
- To encourage and facilitate our suppliers to use energy more efficiently.
- To promote energy efficiency and reduction in communities, schools and homes

The Council is engaged in a number of environmental initiatives including a Local Biodiversity Action Plan which involves raising awareness of biodiversity among local schools and community groups and a planned programme working with small-medium enterprises to assist them in attaining the BS8555 environmental standard.

This has been supported by an ongoing campaign to increase recycling, which has contributed to a year on year increase within the Borough. The average recycling rate for households in the Antrim area for 2010/11 was 46% and the municipal recycling rate was 48.8%.

8.3 Addressing Climate Change

Antrim Borough Council recognises that climate change is a major challenge facing humanity and is committed to leading the Borough in tackling this issue through the provision of advice and the development of practical solutions and programmes. The Council is committed to fulfilling its obligations under the Northern Ireland Landfill Allowance Scheme, regularly monitoring Sulphur Dioxide (SO₂) and Nitrogen Dioxide (NO₂) levels throughout the Borough. This is complimented by an educational programme aimed at encouraging households and businesses to reduce their carbon footprint.

8.4 Health and Safety

Health and safety is a daily priority for the Council and our goal is zero accidents. We aim to achieve this through compliance with all governing and best practice health and safety regulations and guidance, the provision of a work environment free from health and safety risks and the embedding of a health and safety aware culture among employees and those with whom we do business.

The Council has a Health and Wellbeing Programme which aims to promote the physical and mental wellbeing of staff through the provision of health orientated activities and work life balance initiatives.

We actively monitor our health and safety provisions and where accidents occur, these are investigated and corrective action taken to avoid reoccurrence. The Council has recently developed and implemented Risk Management Software to record, monitor and manage Health & Safety risks and actions.

8.5 Social Community

Our objectives as a Council are deeply embedded in the desire to meet the needs of the Borough and the communities, which comprise it.

In addition to key functions such as licensing, noise control, town and emergency planning, the Council has proactively implemented and driven a number of other initiatives, which have been tailored to meet the changing social demands facing communities within the Borough, examples of schemes include the Community Lifeskills Programme, Mental Health Awareness, Fit Families Scheme, Fuel Poverty Scheme and the Active Communities Programme.

9. Review of Effectiveness

The Council has a 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 Senior Managers within the Council who have responsibility for the development and maintenance of the governance environment, the internal auditor's annual report, and also by comments made by the external auditors.

9.1 The Council

The Council is composed of 19 Members who meet together as the "Council". All Members have an opportunity to review this Statement, confirm that it accurately describes the Council's control environment and highlight any areas of significant weakness.

9.2 Audit Committee

In line with good practice, the Council established an Audit Committee in 2006 to provide effective assurance about the adequacy of the Council's control environment. The Audit Committee currently comprises of representatives from each of the main political parties.

The Audit Committee oversees the production of the Governance Statement and recommends its adoption.

9.3 Management

Directors and managers provide assurance that:

Laws and Regulations are complied with;

Financial statements and other published information are materially accurate and reliable;

The Corporate Risk Management approach has been complied with and significant risks are effectively managed;

Regular monitoring reports of significant operational risks are produced for Directorate Management Teams;

Performance Plans have been produced and identify key deliverables and supporting performance indicators;

Performance appraisals are completed and individual targets link with section and department performance plans;

Operational policies and procedures including decision making, approval processes, authorisations, budgeting, verifications, reconciliations, financial monitoring, segregation of duties and security of assets are documented, subject to review and communicated to staff.

There are no material breaches of the Council's policies and processes.

Each Director has provided reasonable assurance as to the effectiveness of the above arrangements in their areas of management responsibility.

9.4 Internal Audit

The Council takes assurance about the effectiveness of the control environment from the work of the Internal Auditor, who provides independent and objective assurance across the whole range of the Council's activities.

Internal Audit has developed an assurance scoring framework to reflect the effectiveness of the Council's internal control environment. The table below details the level of assurance available.

Assurance Level	Description
Substantial	There is a robust system of risk management, control and governance which should ensure that objectives are fully achieved.
Satisfactory	There is some risk that objectives may not be fully achieved. Some improvements are required to enhance the adequacy and / or effectiveness of risk management, control and governance.
Limited	There is considerable risk that the system will fail to meet its objectives. Prompt action is required to improve the adequacy and effectiveness of risk management, control and governance.
Unacceptable	The system has failed or there is a real and substantial risk that the system will fail to meet its objectives. Urgent action is required to improve the adequacy and effectiveness of risk management, control and governance.

9.5 External Audit

External Audit is an essential element in the process of accountability for public money and makes an important contribution to the corporate governance of the Council. The Local Government Auditor employed at the Northern Ireland Audit Office is currently the Council's external auditor by virtue of the Local Government (NI) Order 2005.

The external auditor will take into account the Council's internal control environment when forming his opinion on the financial statements. The most recent review of the council's corporate governance and VFM arrangements was carried out by the Northern Ireland Audit Office separately from the audit of the accounts. The findings from the review were used, together with information obtained during the course of the audit of the accounts, to examine the Governance Statement.

10. Conclusion and Evaluation

As Mayor and Chief Executive, we have been advised on the implications of the results of the overall review of the effectiveness of the Council's system of internal control.

We have evaluated the effectiveness of the system of internal control by reference to the sources of assurance described in this Statement.

Our overall assessment is that the Statement is a balanced reflection of the control environment and that an adequate framework exists within Antrim Borough Council to ensure effective internal control is maintained.

We are also satisfied that there are appropriate plans in place to address any weaknesses and ensure continuous improvement in the system of internal control.

Council is fully committed to continuous improvement and will continue to enhance the corporate governance framework.

11. Significant Internal Control Issues

As a result of Internal Audit work during the year one area was identified as not being controlled to an acceptable level. Weaknesses were identified within the Council's Community Centre Income System, in particular the lack of documented procedures.

The control weaknesses identified above have been addressed or are in the process of being addressed and have been included in the 2011-12 Internal Audit plan for follow up review. The Council will continue to use the National Fraud Initiative matches to identify improvements to internal controls. In addition to the measures outlined above, the Corporate Governance framework is constantly evolving and recent improvements include the development and implementation of Corporate Risk Management Software for the recording and monitoring of Corporate risks.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review. No other significant governance issues were identified.



Signed
Chief Executive
23 June 2011



Signed (Vice)
Audit Committee Chairman
23 June 2011

Certificate of the Chief Financial Officer

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2011 on pages 16 to 86 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 22 to 39.
- (b) in my opinion the Statement of Accounts gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.


.....
Chief Financial Officer

..... 31 October 2011

Date

Council Approval of Statement of Accounts

These accounts were approved by resolution of the Public Services Committee on 23 June 2011.


.....
Chairman

..... 31 October 2011

Date

Independent auditor's report to the Members of Antrim Borough Council

I have audited the statement of accounts of Antrim Borough Council for the year ended 31 March 2011 under the Local Government (Northern Ireland) Order 2005. The statement of accounts comprises the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and related notes. The statement of accounts has been prepared under the accounting policies set out within them.

This report is made solely to the Members of Antrim Borough Council in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities issued by the Chief Local Government Auditor.

Respective responsibilities of the Chief Financial Officer and the independent auditor

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

Scope of the audit of the statement of accounts

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

Opinion

In my opinion the statement of accounts gives a true and fair view, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2010-11, the financial position of Antrim Borough Council as at 31 March 2011 and its income and expenditure for the year then ended.

Matters on which I report by exception

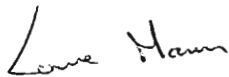
I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- the Annual Governance statement:
 - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2010-11,
 - does not comply with proper practices specified by the Department of the Environment,
 - is misleading or inconsistent with other information I am aware of from my audit, or
- adequate accounting records have not been kept; or
- the statement of accounts is not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit.

Certificate

I certify that I have completed the audit of the accounts of Antrim Borough Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice issued by the Chief Local Government Auditor.

The audit of the accounts for 2000-01 and 2001-02 remain open due to an audit investigation. I understand the issue has now been resolved during the year and I intend to close the audits for 2000-01 and 2001-02 at the earliest opportunity.



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

31 October 2011

Antirrhin Borough Council
Financial Statements for the year ended 31 March 2011

Movement in Reserves Statement
For the current and comparative year

	Comprehensive Income and Expenditure Statement	Statutory Reserves	Other Fund Balances & Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£	£	£	£	£	£	£
At 1 April 2009	648,737	111,968	1,548,239	1,145,948	3,454,892	14,694,893	18,149,785
Movement in reserves during the year							
Surplus or (deficit) on the provision of services	167,773	0	0	0	167,773	0	167,773
Other Comprehensive Income and Expenditure	0	0	0	0	0	502,450	502,450
Total Comprehensive Income and Expenditure	167,773	0	0	0	167,773	502,450	670,223
Adjustments between accounting basis & funding basis under regulations	2,055,478	0	0	23,630	2,079,108	(2,078,638)	470
Net Increase/Decrease before Transfers to Statutory and Other Reserves	2,223,251	0	0	23,630	2,246,881	(1,576,188)	670,693
Transfers to/from Statutory and Other Reserves	(737,295)	177,571	559,724	(728,000)	(728,000)	727,015	(985)
Increase/Decrease in Year	1,485,956	177,571	559,724	(704,370)	1,518,881	(649,173)	669,708
At 31 March 2010	2,134,693	289,539	2,107,963	441,578	4,973,773	13,945,720	18,819,493
Movement in reserves during the year							
Surplus or (deficit) on provision of services	6,199,411	0	0	0	6,199,411	0	6,199,411
Other Comprehensive Income and Expenditure	0	0	0	0	0	4,894,735	4,894,735
Total Comprehensive Income and Expenditure	6,199,411	0	0	0	6,199,411	4,894,735	11,094,146
Adjustments between accounting basis & funding basis under regulations	(3,335,638)	0	0	0	(3,335,638)	3,335,638	0
Net Increase/Decrease before Transfers to Statutory and Other Reserves	2,863,773	0	0	0	2,863,773	8,230,373	11,094,146
Transfers to/from Statutory and Other Reserves	(1,228,259)	707,611	520,648	(24,669)	(24,669)	0	(24,669)
Increase/Decrease in Year	1,635,514	707,611	520,648	(24,669)	2,839,104	8,230,373	11,069,477
At 31 March 2011	3,770,207	997,150	2,628,611	416,909	7,812,877	22,076,093	29,888,970

The Comprehensive Income and Expenditure Statement for the year ended 31 March 2011

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

	Notes	Gross Expenditure £	2010/11 Gross Income £	Net Cost £	Gross Expenditure £	2009/10 Gross Income £	Net Cost £
Services							
Leisure and Recreational Services		6,984,763	1,853,703	5,131,060	8,699,913	1,895,376	6,804,537
Environmental Services		7,739,938	991,516	6,748,422	8,549,421	1,027,214	7,522,207
DRM and Corporate Management		1,600,549	223,476	1,437,073	1,700,877	245,635	1,455,242
Other Services		1,868,096	546,200	1,321,896	1,171,071	393,090	777,981
Non Distributed Costs	21b		3,189,000	(3,189,000)			0
Cost of Services on Continuing Operations	4-6	18,253,366	6,803,895	11,449,471	20,121,282	3,561,315	16,559,967
Other Operating Expenditure	7	219,725	0	219,725	26,456	0	26,456
Financing and Investment Income and Expenditure	8	2,961,676	1,655,639	1,306,037	2,592,614	1,201,555	1,391,059
Surplus or Deficit on Discontinued Operations		0		0	0	0	0
Net Operating Expenditure		21,434,767	8,459,534	12,975,233	22,740,352	4,762,870	17,977,482
Taxation and Non-Specific Grant Income	9	0	19,174,644	(19,174,644)	0	18,145,258	(18,145,255)
Surplus/(Deficit) on the Provision of Services		21,434,767	27,634,178	6,199,411	22,740,352	22,908,125	167,773
Surplus/(Deficit) on revaluation of non-current assets	10a/10b			49,735			8,245,450
Surplus/(Deficit) arising on revaluation of available-for-sale financial assets	25a/25b			0			0
Actuarial gains/losses on pension assets/liabilities				4,845,090			(7,743,000)
Other Comprehensive Income and Expenditure				4,894,735			502,450
Other Movements				(24,669)			(515)
Comprehensive Income and Expenditure Statement (Change in Net Worth)				11,069,477			669,708

Balance Sheet as at 31 March 2011

	Notes	2010/11 £	2009/10 £ (Restated)	2008/09 £
Property Plant & Equipment (PP&E)	10a/10b	50,413,522	49,171,457	42,316,843
Land & Buildings	10a/10b	42,448,386	39,348,158	37,215,921
Infrastructure Assets	10a/10b	0	0	0
Landfill Site	10a/10b	0	0	0
Vehicles, Plant, Furniture and Equipment	10a/10b	990,455	1,240,124	1,783,402
Community Assets	10a/10b	0	0	0
PP&E under Construction	10a/10b	2,086,301	3,384,975	898,276
Surplus Assets	10a/10b	4,888,380	5,198,200	2,419,244
Investment Properties	10a/10b	0	0	0
Intangible Assets	10a/10b	0	0	0
Assets Held for Sale	10d	0	400,000	0
Long Term Investments	15a	634	634	634
Investment in Associates and Joint Ventures		0	0	0
Long Term Debtors	14a	13,264	203,373	689,708
LONG TERM ASSETS		50,427,420	49,775,464	43,007,185
Short Term Investments	15b/24a	3,040,922	1,785,339	1,019,443
Inventories	13	224,075	211,040	232,575
Short Term Debtors	14b	2,803,588	2,881,947	1,873,627
Cash and Cash Equivalents	24b	3,651,440	3,001,305	2,216,394
Assets Held for Sale	10d	0	0	538,450
CURRENT ASSETS		9,720,025	7,879,631	5,880,489
Bank Overdraft		0	0	0
Short Term Borrowing	16a	997,052	1,114,441	1,253,472
Short Term Creditors	17a	2,521,356	2,184,472	1,814,852
Provisions	18	120,000	184,000	166,000
Liabilities in Disposal Groups		0	0	0
CURRENT LIABILITIES		3,638,408	3,482,913	3,234,324
Long Term Creditors	17b	495,302	742,943	990,599
Provisions	18	207,097	213,660	0
Long Term Borrowing	16b	19,817,668	20,536,628	20,464,226
Other Long Term Liabilities	5,21	5,100,000	12,859,458	5,048,740
Donated Assets Account	23	0	0	0
Capital Grants Receipts in Advance	22	1,000,000	1,000,000	1,000,000
LONG TERM LIABILITIES		26,620,067	35,352,689	27,503,565
NET ASSETS		29,888,970	18,819,493	18,149,785
USABLE RESERVES	25a/25b	7,812,877	4,973,773	3,454,892
Capital Receipts Reserve	25a/25b	416,909	441,578	1,145,948
Capital Grants Unapplied Account	25a/25b	0	0	0
Capital Fund	25a/25b	750,000	0	0
Renewal and Repairs Fund	25a/25b	247,150	289,539	111,968
Other Balances and Reserves	25a/25b	2,628,611	2,107,963	1,548,239
District Fund	25a/25b	3,770,207	2,134,693	648,737
UNUSABLE RESERVES	25a/25b	22,076,093	13,845,720	14,694,893
Capital Adjustment Account	25a/25b	18,880,908	18,448,270	19,570,893
Financial Instruments Adjustment Account	25a/25b	0	0	0
Revaluation Reserve	25a/25b	8,295,185	8,245,450	0
Available for Sale Financial Instruments Reserve	25a/25b	0	0	0
Pensions Reserve	25a/25b	(5,100,000)	(12,848,000)	(4,876,000)
Capital Receipts Deferred Account	25a/25b	0	0	0
Accumulated Absences Account	25a/25b	0	0	0
Rates Claw-Back Reserve	25a/25b	0	0	0
NET WORTH		29,888,970	18,819,493	18,149,785

Antrim Borough Council
Cash Flow Statement at 31 March 2011

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council. The Council reports cash flows from operating activities using the indirect method, whereby net Surplus or Deficit on the Provision of Services is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing or financing cash flows.

	Notes	2010/11	2009/10
		£	(Restated) £
Net (surplus) or deficit on the provision of services		6,199,411	167,773
Adjustment to surplus or deficit on the provision of services for noncash movements		(726,099)	4,880,168
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		(1,945,140)	(1,498,391)
Net cash flows from operating activities	24a), 24c)	3,528,172	3,549,550
Net Cash flows from Investing Activities	24d)	(2,521,720)	(2,525,192)
Net Cash flows from Financing Activities	24e)	(356,317)	(239,613)
Net increase or decrease in cash and cash equivalents		650,135	784,745
Cash and cash equivalents at the beginning of the reporting period		3,001,305	2,216,394
Cash and cash equivalents at the end of the reporting period	24b)	3,651,440	3,001,139

Notes to the Financial Statements

1a Accounting Policies

General Principles

The Statement of Accounts summarises the Council's transactions for the 2010/11 financial year and its position at the year-end of 31 March 2011. The Council is required to prepare an annual Statement of Accounts in a form directed by the Department of the Environment in accordance with regulations 4 (1) and (2) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 in accordance with proper accounting practices.. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2010/11 and the Best Value Accounting Code of Practice 2010/11, 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 2010/11 also requires disclosure in respect of:

Summary of Significant Accounting Policies

i) Accruals of Income and Expenditure

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

ii) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management. Bank overdrafts are shown within current liabilities on the balance sheet unless they are of temporary nature.

iii) Contingent Assets

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

iv) Contingent Liabilities

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

Additional policy detail required where a Council has discontinued operations (or transferred operations under machinery of government arrangements) during the financial year

v) Employee Benefits

Short-term employee benefits payable during employment, such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, are recognised as an expense in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. This figure does not include an allowance for flexitime as it was not deemed significant.

Termination Benefits

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

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

Post Employment Benefits

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

The Northern Ireland Local Government Officers' Pension Fund

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

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

Liabilities are discounted to their value at current prices, using a discount rate of 5.5% (based on the indicative rate of return on high quality corporate bonds on the iBoxx Sterling Corporate Index, AA over 15 years with recently re-rated bonds removed from the index

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

- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Property – market value
- Unlisted securities – current bid price

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

- **current service cost** – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
- **past service cost** – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
- **interest cost** – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and

Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

- **expected return on assets** – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- **gains or losses on settlements and curtailments** – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
- **actuarial gains and losses** – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve
- **contributions paid to the Northern Ireland Local Government Officers' pension fund** – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense

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

Discretionary Benefits

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

vi) Events After the Balance Sheet Date

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

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

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

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

vii) Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance

viii Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

ix) Financial Instruments

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

Financial Liabilities

Amortised Cost

Financial Assets

Loans and Receivables

Available for Sale

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

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

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

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

Financial Assets

Financial assets are classified into two types:

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

Loans and Receivables

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

However, the Council has made a number of loans to voluntary organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to

the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the District Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the District Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

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

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

Available-for-Sale Assets

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

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

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

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

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive

Income and Expenditure Statement. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

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

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

x) Foreign Currency Translation

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at an average exchange rate. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

xi) Government Grants and Contributions

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

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

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

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

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

Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

xii) Intangible Assets

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

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

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

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

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the District Fund Balance. The gains and losses are therefore reversed out of the District Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

xiii) Inventories & Long Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the weighted average method for central stores and latest invoice price for fuel and shop stocks.

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

xiv) Investment Property

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

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

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

xv) Landfill Allowance Schemes

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

xvi) Leases

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

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

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

The Council as Lessee

Finance Lease:

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on

entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

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

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

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

Operating Leases

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

The Council as Lessor

Finance Leases

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

Lease rentals receivable are apportioned between:

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

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

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

Operating Leases

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

xvii) Disposals and Non-Current Assets Held for Sale

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

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

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

When an asset is disposed of, or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and

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

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

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

xviii) Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA *Best Value Accounting Code of Practice 2010/11* (BVACOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

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

These two cost categories are defined in BVACOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Continuing Services.

xix) Property, Plant and Equipment

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

Recognition

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

Measurement

Assets are initially measured at cost, comprising:

- The purchase price

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

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

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

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the District Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

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

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

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

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

Impairment

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

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

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

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

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

Depreciation

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

Depreciation is 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 and equipment (excluding IT equipment) are depreciated on historic cost using a standard life of 10 years for plant and 5 years for equipment. IT equipment is depreciated using a standard life of 4 years;

vehicles are depreciated on historic cost on a reducing balance basis at a rate of 25%;

intangible assets are amortised over the estimated lives of the assets; and

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

Componentisation

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

Revaluations

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

xx) Provisions

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

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

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

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

xxi) Reserves

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

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

xxii) Charges to Revenue for Non-Current Assets

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

- Depreciation attributable to the assets used by the relevant service

- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written
- Amortisation of intangible fixed assets attributable to the service.

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

xxiii) Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the District Fund Balance to the Capital Adjustment Account then reverses out the amounts charged, so that there is no impact on the level of District Rates.

xxiv) Value Added Tax

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

1b Critical Judgements in Applying Accounting Policies

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

- There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

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

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

The items in the Council's Balance Sheet at 31 March 2012 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

i) Property, Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.

If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.

It is estimated that the annual depreciation charge for buildings would increase by £37k for every year that useful lives had to be reduced.

ii) Pensions Liability

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

The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in a decrease in the pension liability of £2.8m

However, the assumptions interact in complex ways. During 2010/11, the Council's actuaries advised that the net pensions liability had decreased by £7.7million as a result of the application of updated assumptions most notably falling long term inflation expectations and the pension increase indexation change from RPI to CPI.

iv) Arrears

At 31 March 2011, the Council had a balance of sundry debtors totalling £327k. A review of significant balances suggested that an allowance for specific doubtful debts of £82k and a general provision of £57k (5%) was appropriate. However, in the current economic climate it is not certain that such an allowance is sufficient.

If collection rates were to deteriorate, a doubling of the amount of doubtful debts would require an additional £139k to be set aside as an allowance.

2a Segmental Reporting Analysis - Current Year

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

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

(Comparative disclosures are reported in Note 2b)

Services	2010/11		
	Gross Expenditure	Gross Income	Net Expenditure/ (Income)
	£	£	£
Culture and Heritage	481,810	62,083	419,727
Recreation and Sport	4,669,666	1,433,163	3,236,503
Tourism	594,877	113,023	481,854
Community Services	1,238,430	245,434	992,996
Leisure and Recreational Services	6,984,783	1,853,703	5,131,080
Cemetery, Cremation and Mortuary	223,258	89,675	133,583
Environmental Health	988,703	163,536	825,167
Flood Defence and Land Drainage	0	0	0
Public Conveniences	72,677	(17)	72,694
Licensing	1,001	0	1,001
Other Cleaning	763,919	2,951	760,968
Waste Collection	2,447,064	262,096	2,184,968
Waste Disposal	2,033,228	111,585	1,921,643
Building Control	528,824	356,003	172,821
Other Community Assets	301,582	5,687	295,895
Minor Works	379,682	0	379,682
Environmental Services	7,739,938	991,516	6,748,422
Democratic Representation and Management	659,606	106,724	552,882
Corporate Management	1,000,943	116,752	884,191
DRM and Corporate Management	1,660,549	223,476	1,437,073
Economic Development	533,672	216,872	316,800
Trading Services	839,485	23,693	815,792
Non Distributed Costs	0	0	0
Central Services to the Public	494,939	305,635	189,304
Other Services	1,868,096	546,200	1,321,896
CONTINUING OPERATIONS	18,253,366	3,614,895	14,638,471

Reconciliation to Net Cost of Services in Comprehensive Income and Expenditure Statement – Current Year

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

	£	£
Net Cost of Services in Service Analysis		14,638,471
<i>Items excluded from Service Analysis:</i>		
IAS 19 Pension Past Service Cost	(3,189,000)	
Remove amounts reported in Service Analysis but not included in Net Cost of Services in Comprehensive Income and Expenditure Statement	0	
		<u>(3,189,000)</u>
Cost of Services on Continuing Operations in Comprehensive Income and Expenditure Statement		11,449,471
<i>Items included in Net Operating Expenditure excluded from Service</i>		
Other Operating Expenditure	219,725	
Financing and Investment Income and Expenditure	1,306,037	
Surplus or Deficit on Discontinued Operations	0	
		<u>1,525,762</u>
Net Operating Expenditure per Comprehensive Income and Expenditure Statement		<u>12,975,233</u>

2b Segmental Reporting Analysis – Comparative Year

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

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

Services	2009/10		
	Gross Expenditure	Gross Income	Net Expenditure/ (Income)
	£	£	£
Culture and Heritage	451,111	44,652	406,459
Recreation and Sport	6,403,274	1,466,246	4,937,028
Tourism	798,122	105,873	692,249
Community Services	1,047,406	278,605	768,801
Leisure and Recreational Services	8,699,913	1,895,376	6,804,537
Cemetery, Cremation and Mortuary	287,165	86,709	200,456
Environmental Health	1,211,187	215,097	996,090
Flood Defence and Land Drainage	0	0	0
Public Conveniences	115,781	0	115,781
Licensing	841	0	841
Other Cleaning	759,340	0	759,340
Waste Collection	2,658,970	235,339	2,423,631
Waste Disposal	2,228,375	83,547	2,144,828
Building Control	534,102	402,989	131,113
Other Community Assets	394,050	3,533	390,517
Minor Works	359,610	0	359,610
Environmental Services	8,549,421	1,027,214	7,522,207
Democratic Representation and Management	726,824	149,039	577,785
Corporate Management	974,053	96,596	877,457
DRM and Corporate Management	1,700,877	245,635	1,455,242
Economic Development	418,478	121,318	297,160
Trading Services	310,569	19,866	290,703
Non Distributed Costs	0	0	0
Central Services to the Public	442,024	251,906	190,118
Other Services	1,171,071	393,090	777,981
CONTINUING OPERATIONS	20,121,282	3,561,315	16,559,967

Reconciliation to Net Cost of Services in Comprehensive Income and Expenditure Statement – Comparative Year

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

	£	£
Net Cost of Services in Service Analysis		16,559,967
<i>Items excluded from Service</i>		
Add amounts not reported in Service Analysis but included in Net Cost of Services in Comprehensive Income and Expenditure Statement	0	
Remove amounts reported in Service Analysis but not included in Net Cost of Services in Comprehensive Income and Expenditure Statement	0	0
Cost of Services on Continuing Operations in Comprehensive Income and Expenditure Statement		16,559,967
<i>Items included in Net Operating Expenditure excluded from Service</i>		
Other Operating Expenditure	26,456	
Financing and Investment Income and Expenditure	1,391,059	
Surplus or Deficit on Discontinued Operations	0	1,417,515
Net Operating Expenditure per Comprehensive Income and Expenditure Statement		17,977,482

3a Adjustments between Accounting Basis and Funding Basis under Regulations

	Notes	2010/11 £	2010/11 £	2009/10 £	2009/10 £
Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the District Fund Balance for the year:					
Impairments (losses & reversals) of non-current assets	10a/10b	42,110		(2,711,381)	
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	581,150		5,513,975	
Depreciation charged in the year on non-current assets	10a/10b,2 3	1,450,976	2,074,236	1,680,720	4,483,314
Net Revenue expenditure funded from capital under statute			0		0
Carrying amount of non current assets sold		219,725		50,086	
Proceeds from the sale of PP&E, investment property and intangible assets	23,25	0	219,725	(23,630)	26,456
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 9	21		(1,875,000)		1,149,000
Direct revenue financing of Capital Expenditure	11,25		(1,680,724)		(1,393,502)
Capital Grants and Donated Assets Receivable and Applied in year	9b		(689,557)		(708,865)
Capital Grants Receivable and Unapplied in year	9c		0		0
Rates Claw-Back Reserve	25a/25b		0		0
Adjustments in relation to Short-term compensated absences	17		0		0
Adjustments in relation to Lessor Arrangements			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 District Fund Balance for the year					
Loans/Lease principal repayments during the year	25a/25b		(356,318)		(580,925)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	21a		(1,028,000)		(920,000)
			(3,335,638)		2,055,478

3b Net Transfers (to)/from Statutory and Other Earmarked Reserves:

		2010/11	2010/11	2009/10	2009/10
		£	£	£	£
Capital Fund					
Interest		0		0	
Other	25a/25b	(750,000)	(750,000)	0	0
Renewal and Repairs Fund					
Interest		(3,050)		(6,539)	
Other	25a/25b	45,439	42,389	(171,032)	(177,571)
Other Funds and earmarked reserves					
Interest		(23,371)		(8,797)	
Other	25a/25b	(497,277)	(520,648)	(550,927)	(559,724)
			(1,228,259)		(737,295)

4 Cost of Services on Continuing Operations

4a Section 115 of the Local Government Act (Northern Ireland) 1972 enables District Councils to spend up to the aggregate of the product of 0.0596p in the pound on the rateable value of non-domestic hereditaments, and the product of a rate of 0.00082p in the pound on the rateable value of domestic hereditaments for the benefit of all the inhabitants in their district, or part of their district, on activities not specifically authorised by other powers. This would allow for £38,253 in 2010/11 (£37,573 in 2009/10). The actual expenditure during 2010/11 amounted to £NIL (£NIL in 2009/10)

4b External Audit Fees

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

	2010/11	2009/10
	£	£
External Audit Fees	21,908	25,774
Grant Claim Certification Fees	408	597
Other Fees : IFRS / NFI	5,321	0
	27,637	26,371

There were no other fees payable in respect of any other services provided by the appointed auditor over and above those described above (2009/10 £NIL)

Cost of Services on Continuing Operations (Continued)

5 Operating and Finance Leases

5a Finance Leases (Council as lessor)

No finance leases with Council acting as lessor were in place during the reporting period.

5b Operating Leases (Council as lessor)

The Council, in accordance with its statutory and discretionary responsibilities, leases out property under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres
- for economic development purposes to provide suitable affordable accommodation for small local businesses
- any other purposes

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £10,618 (previous year: £6,440). No contingent rents were recognised.

The lease contracts are all non-cancellable and do not include an extension option. The lease terms are between 1 and 25 years. Future minimum lease income is set out below:

	2011		2010	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease rentals receivable:				
No later than 1 year	39,162	0	39,162	0
Later than 1 year and no later than 5 years	134,708	0	144,628	0
Later than 5 years	97,848	0	130,660	0
	271,718	0	314,450	0

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

	2011		2010	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Cost	0	0	0	0
Accumulated depreciation and impairments at 1 April	0	0	0	0
Depreciation charge for the year	0	0	0	0
Impairments	0	0	0	0
	0	0	0	0

Council as Lessee:

5c Finance Leases (Council as lessee)

Some of the Council's vehicle fleet is held under finance leases. The net carrying amount of the vehicles held under finance lease arrangements is £78,369 (2009/10 £397,460). The assets are included under Vehicles, Plant & Equipment which form an integral part of property, plant and equipment (see **Note 10c**-leased assets). The rentals paid for vehicles held under finance leases totalled £235,608 (2009/10 £528,033).

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

The lease agreements for the vehicles include fixed lease payments. There is no purchase option at the end of the respective lease terms. The agreements are non-cancellable but do not include any further restrictions.

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

	Within 1 year	1 to 5 years	After 5 years	Total
	£	£	£	£
2010/11				
Finance leases payments	16,619	0	0	16,619
Less: finance charges	(55)	0	0	(55)
Less: maintenance charges	(5,106)	0	0	(5,106)
Net present value	11,458	0	0	11,458

2009/10				
Finance leases payments	235,608	16,619	0	252,227
Less: finance charges	(2,809)	(55)	0	(2,864)
Less: maintenance charges	(71,517)	(5,106)	0	(76,623)
Net present value	161,282	11,458	0	172,740

2008/09				
Finance leases payments	528,033	252,227	0	780,260
Less: finance charges	(13,713)	(2,864)	0	(16,577)
Less: maintenance charges	(186,526)	(76,623)	0	(263,149)
Net present value	327,794	172,740	0	500,534

Included in the Balance Sheet as:

	2011	2010	2009
	£	£	£
Current liabilities	11,458	161,282	327,794
Long term liabilities	0	11,458	172,740
	11,458	172,740	500,534

5d Operating Leases (Council as lessee)

The council has short term rental operating leases of £12,750 per annum for some of its facilities. One lease expired on 30 September 2010 and was not renewed.

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

	2010/11		2009/10	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease payments	16,875	0	21,000	0
Contingent rentals	0	0	0	0
Less: Sublease payments receivable	(1,040)	0	(1,040)	0
	15,835	0	19,960	0

No contingent rent payments were made or received..

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

	2011		2010	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease rentals payable:				
No later than 1 year	12,750	0	16,875	0
Later than 1 year and no later than 5 years	51,000	0	51,000	0
Later than 5 years	214,500	0	227,250	0
	278,250	0	295,125	0

6 Employee Costs and Members' Allowances

6a Staff Costs

	2010/11	2009/10
	£	£
Salaries and wages	6,899,521	6,619,437
Employers National Insurance	520,369	473,009
Employers pension costs	979,397	893,763
	8,399,287	7,986,209

In addition, agency costs during the year amounted to £255,119 (2009/10 £130,922).

The Council's current contribution rate to the NILGOSC scheme is 17% (2009/10 16%). At the last actuarial valuation, dated 31 March 2010, the Fund's assets as a whole were sufficient to meet 82% (2007: 89%) of the liabilities accrued up to that date.

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

	2010/11	2009/10
	FTE	FTE
Environmental services	144	137
Leisure services	96	101
Other	35	38
	275	276
	Actual Numbers	Actual Numbers
Full-time numbers employed	258	246
Part-time numbers employed	60	60
	318	306

6c Senior Employees' Remuneration

	2010/11	2009/10
	£	£
£50,001 to £60,000	0	0
£60,001 to £70,000	0	1
£70,001 to £80,000	2	1
£80,001 to £90,000	1	1
	3	3

6d Members' Allowances

During the year Members' allowances (paid under Sections 12 and 36 of the Local Government Act (NI) 1972), including Employer's costs, totalled £307,894 (2009/10 £327,854) and are as follows:

	2010/11	2009/10
	£	£
Basic allowance	224,839	237,117
Mayor's & Deputy Mayor's Allowance	7,500	10,000
Dependents' carers allowance	693	1,420
Employer costs	19,281	21,065
Mileage	8,081	12,933
Conferences and Courses	3,019	5,525
Travel Costs	371	1,749
Subsistence	7,224	10,424
Special responsibility allowances	30,500	21,460
Miscellaneous	6,386	6,161
	307,894	327,854

6e Voluntary Transition Committee

Statutory Transition Committees will flow from the legislation but the Department has provided funding to the lead Council for each Voluntary Transition Committee. The Income and Expenditure of the Antrim BC / Newtownabbey BC Committee was as follows:

	2010/11	2009/10
	£	£
Income		
Funding from DOE	94,266	136,541
Other	0	0
	94,266	136,541
Expenditure		
Allowance for Members	28,425	48,730
Other Member Expenses	1,464	1,035
Change Management Officer	53,346	43,093
Change Management Support Costs	2,444	11,302
Other	8,587	32,381
	94,266	136,541

7 Other Operating Expenditure

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

	2010/11	2009/10
	£	£
Proceeds from sale	0	(23,630)
Carrying amount of non-current assets sold (excl Investment Properties)	219,725	50,086
	219,725	26,456

7b Other Operating Income/Expenditure

There were no other trading operations.

8 Financing and Investment Income and Expenditure

8a Interest Payable and Similar Charges

	2010/11	2009/10
	£	£
Lease/hire purchase interest	2,809	13,713
Bank interest	0	0
Loan Interest	1,207,676	1,237,612
Other interest (please specify)	0	0
	1,210,485	1,251,325

Lease interest of £2,809 (2009/10 £13,713) is included within service expenditure.

8b Interest and Investment Income

	2010/11	2009/10
	£	£
Bank interest	(21,853)	(30,206)
Other interest	(62,365)	(192,013)
<i>Investment income on Fund Balances:</i>		
Capital Fund	0	0
Repairs & Renewals Fund	(3,050)	(6,539)
Sinking Fund	(10,314)	(8,797)
Loan Repayment Reserve	(13,057)	0
	(110,639)	(237,555)

8c Pensions interest cost and expected return on pensions

	£	£
Expected return on assets in the scheme	(1,545,000)	(964,000)
Interest cost	1,754,000	1,355,000
	209,000	391,000

8d Income, Expenditure and Changes in Fair Value of Investment

No investment properties are held by Council.

Summary of Financing and Investment Income and Expenditure:

	2010/11	2009/10
	£	£
Interest Payable and Similar Charges	1,210,485	1,251,325
Interest and Investment Income	(110,639)	(237,555)
Pensions interest cost and expected return on pensions assets	209,000	391,000
Surplus/(Deficit) on trading operations	0	0
Changes in Fair Value of Investment Properties	0	0
Other investment income	0	0
Total Financing and Investment Income and Expenditure	1,308,846	1,404,770

	2010/11			2009/10		
	Gross Expenditure	Gross Income	Net Cost	Gross Expenditure	Gross Income	Net Cost
	£	£	£	£	£	£
Interest Payable and Similar Charges	1,207,676	0	1,207,676	1,237,612	0	1,237,612
Interest and Investment Income		110,639	(110,639)		237,555	(237,555)
Pensions interest cost and expected return on pensions assets	1,754,000	1,545,000	209,000	1,355,000	964,000	391,000
Surplus/(Deficit) on trading operations	0	0	0	0	0	0
Changes in Fair Value of Investment Properties	0	0	0	0	0	0
Other investment income	0	0	0	0	0	0
	2,961,676	1,655,639	1,306,037	2,592,612	1,201,555	1,391,057

9 Taxation and Non-Specific Grant Income

9a Revenue Grants

	2010/11	2009/10
	£	£
General Grant	1,111,757	1,028,040
	1,111,757	1,028,040

9b Capital Grants and Donated assets-Applied

	2010/11	2009/10
	£	£
Government & Other Grants-Conditions met and applied in year	689,557	708,865
Government & Other Grants-transfer from receipts in advance	0	0
Donated Assets-Conditions met	0	0
Donated Assets-transfer from donated assets creditor	0	0
	689,557	708,865

9c Capital Grants-Unapplied

There were no grants received that were not applied in year.

9d District Rates

	2010/11	2009/10
	£	£
Current year	17,373,330	16,408,350
Finalisation - previous year	0	0
Transitional Relief	0	0
Finalisation - other years	0	0
	17,373,330	16,408,350

Summary of Taxation and Non-Specific Grant Income

	2010/11	2009/10
	£	£
District Rates Income	17,373,330	16,408,350
Revenue Grants	1,111,757	1,028,040
Capital Grants and Contributions	689,557	708,865
Total Taxation and Non-Specific Grant Income	19,174,644	18,145,255

Fixed Assets Note – Current Year

	Property, Plant & Equipment (PP&E)										TOTAL	
	Land	Buildings	Infrastructure Assets	Landfill Site	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Investment Properties		Intangible Assets
	£	£	£	£	£	£	£	£	£	£	£	£
Cost or Valuation												
At 1 April 2010	8,146,250	31,201,908	0	0	5,202,115	0	3,384,975	5,198,200	53,133,448	0	0	53,133,448
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	8,146,250	31,201,908	0	0	5,202,115	0	3,384,975	5,198,200	53,133,448	0	0	53,133,448
Additions (Note 11)	0	0	0	0	385,032	0	2,701,259	0	3,086,291	0	0	3,086,291
Donations	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation increases/decreases to Revaluation Reserve	(929,370)	1,346,595	0	0	0	0	0	(367,480)	49,735	0	0	49,735
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	(51,180)	(187,630)	0	0	0	0	0	(342,340)	(581,150)	0	0	(581,150)
Derecognition - Disposals	0	0	0	0	(1,148,011)	0	0	0	(1,148,011)	0	0	(1,148,011)
Derecognition - Other	0	0	0	0	0	0	0	0	0	0	0	0
Reclassifications & Transfers	0	3,957,823	0	0	0	0	(3,957,823)	0	0	0	0	0
Reclassified to Held for Sale	0	0	0	0	0	0	0	400,000	400,000	0	0	400,000
Reclassified from Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0
Adjustment-Landfill Deferred Charge (Note 18)	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2011	7,165,700	36,318,686	0	0	4,439,136	0	2,128,411	4,888,380	54,940,313	0	0	54,940,313
Depreciation and Impairment												
At 1 April 2010	0	0	0	0	3,961,991	0	0	0	3,961,991	0	0	3,961,991
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	0	0	0	0	3,961,991	0	0	0	3,961,991	0	0	3,961,991
Depreciation Charge	0	1,036,000	0	0	414,976	0	0	0	1,450,976	0	0	1,450,976
Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation written out on Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation taken to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	0	0	0	0	(928,286)	0	42,110	0	(42,110)	0	0	(42,110)
Derecognition - Disposals	0	0	0	0	0	0	0	0	0	0	0	0
Derecognition - Other	0	0	0	0	0	0	0	0	(928,286)	0	0	(928,286)
Reclassifications & Transfers	0	0	0	0	0	0	0	0	0	0	0	0
Eliminated on reclassification to Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2011	0	1,036,000	0	0	3,448,651	0	42,110	0	4,526,791	0	0	4,526,791
Net Book Value												
At 31 March 2011	7,165,700	35,282,686	0	0	990,455	0	2,086,301	4,888,380	50,413,522	0	0	50,413,522
At 31 March 2010	8,146,250	31,201,908	0	0	1,240,124	0	3,384,975	5,198,200	49,171,457	0	0	49,171,457

Valuations

The last full valuation of freehold and leasehold properties was carried out as at 31 March 2010 by an independent valuer from Land and Property Services. Please refer to note 1A(xxii) for further information on revaluation and depreciation policies. Asset indices as compiled by Land and Property Services have been applied in year.

Capital Commitments

There were material ongoing Capital Commitments at the year end of £4.4 million (£6.4 million 2009/10).

10b Fixed Assets Note – Comparative Year

	Property, Plant & Equipment (PP&E)										TOTAL	
	Land	Buildings	Infrastructure Assets	Landfill Site	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Investment Properties		Intangible Assets
	£	£	£	£	£	£	£	£	£	£	£	£
Cost or Valuation												
At 1 April 2009	5,614,250	35,553,822	0	0	5,426,666	0	898,276	2,957,694	50,450,708	0	0	50,450,708
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	(538,450)	(538,450)	0	0	(538,450)
Adjusted opening balance	5,614,250	35,553,822	0	0	5,426,666	0	898,276	2,419,244	49,912,258	0	0	49,912,258
Additions (Note 11)	0	0	0	0	69,135	0	2,988,468	0	3,067,603	0	0	3,067,603
Donations	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation increases/decreases to Revaluation Reserve	4,980,592	842,196	0	0	(1,666)	0	0	0	5,821,122	0	0	5,821,122
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	(2,448,592)	(3,065,383)	0	0	(228,521)	0	0	0	(5,513,975)	0	0	(5,513,975)
Derecognition - Disposals	0	0	0	0	0	0	0	0	(228,521)	0	0	(228,521)
Derecognition - Other	0	0	0	0	0	0	(511,769)	0	0	0	0	0
Reclassifications & Transfers	0	(2,128,727)	0	0	(63,499)	0	0	2,640,506	(63,489)	0	0	(63,489)
Reclassified to Held for Sale	0	0	0	0	0	0	0	(400,000)	(400,000)	0	0	(400,000)
Reclassified from Held for Sale	0	0	0	0	0	0	0	538,450	538,450	0	0	538,450
Adjustment-Landfill Deferred Charge (Note 18)	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2010	8,146,250	31,201,908	0	0	5,202,115	0	3,384,975	5,198,200	53,133,448	0	0	53,133,448
Depreciation and Impairment												
At 1 April 2009	0	3,952,151	0	0	3,643,264	0	0	0	7,595,415	0	0	7,595,415
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	0	3,952,151	0	0	3,643,264	0	0	0	7,595,415	0	0	7,595,415
Depreciation Charge	0	1,183,392	0	0	497,328	0	0	0	1,680,720	0	0	1,680,720
Depreciation written out on Revaluation Reserve	0	(2,424,328)	0	0	0	0	0	0	(2,424,328)	0	0	(2,424,328)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	(2,711,215)	0	0	0	(166)	0	0	0	(2,711,381)	0	0	(2,711,381)
Derecognition - Disposals	0	0	0	0	(178,435)	0	0	0	(178,435)	0	0	(178,435)
Derecognition - Other	0	0	0	0	0	0	0	0	0	0	0	0
Reclassifications & Transfers	0	0	0	0	0	0	0	0	0	0	0	0
Eliminated on reclassification to Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2010	0	3,961,991	0	0	3,961,991	0	0	0	3,961,991	0	0	3,961,991
Net Book Value												
At 31 March 2010	8,146,250	31,201,908	0	0	1,240,124	0	3,384,975	5,198,200	49,171,457	0	0	49,171,457
At 31 March 2009	5,614,250	31,601,671	0	0	1,783,402	0	898,276	2,419,244	42,316,843	0	0	42,855,293

Capital Commitments

There were material ongoing Capital Commitments at the 2010 year end of £6.4 million.

10c Fixed Assets-Leased Assets at 31 March 2011

<u>LEASED ASSETS</u> (included within vehicles, plant and equipment)	Vehicles £	Equipment £	TOTAL £
Cost or Valuation			
At 1 April 2010	1,402,000	0	1,402,000
Additions	0	0	0
Disposals	(1,090,000)	0	(1,090,000)
At 31 March 2011	312,000	0	312,000
Depreciation			
At 1 April 2010	1,004,540	0	1,004,540
Disposals	(870,275)	0	(870,275)
Provided for year	99,365	0	99,365
At 31 March 2011	233,630	0	233,630
Net Book Value			
At 31 March 2011	78,370	0	78,370
At 31 March 2010	397,460	0	397,460

10d Fixed Assets-Leased Assets at 31 March 2010

<u>LEASED ASSETS</u> (included within vehicles, plant and equipment)	Vehicles £	Equipment £	TOTAL £
Cost or Valuation			
At 1 April 2009	1,567,000	0	1,567,000
Additions	0	0	0
Disposals	(165,000)	0	(165,000)
At 31 March 2010	1,402,000	0	1,402,000
Depreciation			
At 1 April 2009	984,799	0	984,799
Disposals	(125,809)	0	(125,809)
Provided for year	145,550	0	145,550
At 31 March 2010	1,004,540	0	1,004,540
Net Book Value			
At 31 March 2010	397,460	0	397,460
At 31 March 2009	582,201	0	582,201

10d Assets Held For Sale

At 31 March 2011	Assets Held for Sale- Current	Assets Held for Sale-Non- current	TOTAL
	£		£
Cost or Valuation			
At 1 April 2010	0	400,000	400,000
Transferred from Non-Current Assets during year	0	0	0
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	0	0	0
Derecognition - Disposals	0	0	0
Derecognition - Other	0	0	0
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	0	0	0
Transferred to Non-Current Assets during year	0	(400,000)	(400,000)
At 31 March 2011	0	0	0
Impairment			
At 1 April 2010	0	0	0
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	0	0	0
Derecognition - Disposals	0	0	0
Derecognition - Other	0	0	0
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	0	0	0
Transferred to Non-Current Assets during year	0	0	0
At 31 March 2011	0	0	0
Net Book Value			
At 31 March 2011	0	0	0
At 31 March 2010	0	400,000	400,000

Comparative Year

At 31 March 2010	Assets Held for Sale- Current	Assets Held for Sale-Non- current	TOTAL
	£		£
Cost or Valuation			
At 1 April 2009	538,450	0	538,450
Transferred from Non-Current Assets during year	400,000	0	400,000
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	0	0	0
Derecognition - Disposals	0	0	0
Derecognition - Other		0	0
Transferred to Non-Current Assets during year	(938,450)	400,000	(538,450)
At 31 March 2010	0	400,000	400,000
Impairment			
At 1 April 2009	0	0	0
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	0	0	0
Derecognition - Disposals	0	0	0
Derecognition - Other	0	0	0
Transferred to Non-Current Assets during year	0	0	0
At 31 March 2010	0	0	0
Net Book Value			
At 31 March 2010	0	400,000	400,000
At 31 March 2009	538,450	0	538,450

11 Capital Expenditure

	Note	2010/11	2009/10	2008/09
		£	£	£
Expenditure				
Capital expenditure	10a/10b	3,086,291	3,067,603	1,178,177
Financed By				
Borrowings:				
Loans		0	750,000	0
Finance leases / hire purchase		0	0	0
Grants receivable	9	689,557	708,865	287,912
Transfer from Capital Receipts Reserve	25	0	727,015	0
Transfer from Repairs and Renewals	25	0	0	0
Revenue contributions to capital	3,25	1,680,724	1,393,502	635,302
		2,370,281	3,579,382	923,214
Surplus/(Deficit)		(716,010)	511,779	(254,963)
Balance brought forward		(1,818,748)	(2,330,527)	(2,075,564)
Balance carried forward		(2,534,758)	(1,818,748)	(2,330,527)

12 Future Capital commitments

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

	Gross Cost	Grant Aid	Net Cost
	£	£	£
Schemes underway	4,400,000	2,300,000	2,100,000
Other Commitments	0	0	0
	4,400,000	2,300,000	2,100,000

13 Inventories

	2010/11	2009/10	2008/09
	£	£	£
Central Stores	155,429	137,542	141,451
Other	68,646	73,498	91,124
	224,075	211,040	232,575

14 Debtors

	2010/11	2009/10	2008/09
	£	£	£
14a) Long Term Debtors			
*Government Departments	0	0	0
Other Councils	0	0	0
Public corporations and trading funds	0	0	0
Bodies external to general government	0	0	0
Employee car loans	1,854	3,993	7,764
Grants	0	0	0
Loans and advances	0	0	0
Finance lease debtors-Note 5c)	0	0	0
Trade debtors	0	0	0
NIHE Loans	11,410	199,380	681,944
Other	0	0	0
Impairment of loans and receivables	0	0	0
Total Long-Term Debtors	13,264	203,373	689,708

14b) Short Term Debtors			
*Government Departments	1,443,422	1,164,349	130,451
Other Councils	200,252	727,514	408,523
Public corporations and trading funds	0	0	0
Bodies external to general government	0	0	0
Employee car loans	2,267	3,250	6,441
Grants	0	0	0
Value Added Tax	341,838	197,769	161,092
Prepayments	0	0	0
Finance lease debtors-Note 5c)	0	0	0
Other	628,062	605,475	814,295
Trade debtors	326,811	363,460	526,353
Impairment loss - Trade debtors	(139,064)	(179,870)	(173,528)
Total Short-Term Debtors	2,803,588	2,881,947	1,873,627
Total Debtors	2,816,852	3,085,320	2,563,335

15 a Long Term Investments

	2010/11	2009/10	2008/09
	£	£	£
Investments - general	0	0	0
Investments - repairs and renewals	0	0	0
Investments - capital fund	0	0	0
Investments - other	634	634	634
Total Long-term Investments	634	634	634

Analysed Over

	2010/11	2009/10	2008/09
	£	£	£
Money market deposits	0	0	0
Other deposits	634	634	634
Total Long-term Investments	634	634	634

15b Short Term Investments

	2010/11	2009/10	2008/09
	£	£	£
Investments - general	0	0	0
Investments - repairs and renewals	0	0	0
Investments - sinking fund	0	0	0
Investments - other	3,040,922	1,785,339	1,019,443
Total Short-term Investments	3,040,922	1,785,339	1,019,443

Analysed Over

	2010/11	2009/10	2008/09
	£	£	£
Money market deposits	0	0	0
Other deposits	3,040,922	1,785,339	1,019,443
Total Short-term Investments	3,040,922	1,785,339	1,019,443

Total Long Term and Short-term Investments **3,041,556** **1,785,973** **1,020,077**

Monies are held both in call accounts and on deposit to provide cash backing to Council's Capital Receipts Reserve, Capital Fund, Loan Repayment Reserves and Repairs and Renewals Fund. Cash and Cash Equivalents includes a Sinking Fund Bank Account (£1,404,176) maintained to equal the Sinking Fund Reserve of £1,571,506 – further monies of £167,330 were transferred to this account in May 2011.

16 Borrowings

16 a Short Term Borrowing

	2010/11	2009/10	2008/09
	£	£	£
Loans re-payable within one year *	985,594	953,159	925,678
Finance Lease Principal	11,458	161,282	327,794
Total Short Term Borrowing	997,052	1,114,441	1,253,472

* Loans repayable within one year includes loan interest of £266,625 (09/10 £275,561).

16 b Long Term Borrowing

	2010/11	2009/10	2008/09
	£	£	£
Between 1 and 2 years	569,563	718,969	665,452
Between 2 and 5 years	1,776,361	1,738,268	1,825,511
Between 5 and 10 years	6,418,151	3,323,029	3,145,647
In more than 10 years	11,053,593	14,756,362	14,827,616
	19,817,668	20,536,628	20,464,226
Total Borrowing	20,814,720	21,651,069	21,717,698

Interest rates on Government Loans range between 4.4% and 11.125% and total borrowings amounted to £15,536,626 as at 31 March 2011. This borrowing includes £868,548 of monies in respect of NIHE debt for which a loan repayment reserve has been established. This reserve is currently £1,056,471.

Borrowings maturing in more than 10 years include LOBO borrowings of £5million (09/10 £5million). These borrowings represent funds at rates that the lender has the option to vary; if the variation is not accepted by the borrower the loan becomes repayable immediately.

On LOBO's totaling £3,000,000 the effective rate of interest varies according to the date of redemption, ranging from 6.95% for redemption after 2 years to 8.95% for redemption at any time between years 11 and 40. On LOBO's totaling £2,000,000 the interest rate is 4.32% and repayment is due in 2045.

A Sinking Fund has been established to repay the above borrowings on the basis that the loans will run to maturity. At 31 March 2011 the accumulated balance on the Sinking Fund was £1,571,506 (09/10 £1,393,862).

17 Creditors

17 a Short Term Creditors

	2010/11	2009/10	2008/09
	£	£	£
Government Departments	24,500	329,368	176,468
Other Councils	137,508	124,664	83,115
Public corporations and trading funds	0	0	0
Bodies external to general government	0	0	0
Rates clawback	247,651	247,660	287,192
Remuneration due to employees	0	207,800	21,467
Accumulated Absences	90,269	87,510	79,205
Receipts in advance	119,284	102,368	70,197
Trade creditors	1,902,144	1,085,102	1,097,208
Other	0	0	0
Total Short Term Creditors	2,521,356	2,184,472	1,814,852

17 b Long Term Creditors

	2010/11	2009/10	2008/09
	£	£	£
Other creditors falling due after more than one year			
Government Departments	0	0	0
Other Councils	0	0	0
Public corporations and trading funds	0	0	0
Bodies external to general government	0	0	0
Rates clawback	495,302	742,943	990,603
Other	0	0	0
Total Long Term Creditors	495,302	742,943	990,603

Total Creditors	3,016,658	2,927,415	2,805,455
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Payment of Invoices

The Council has a target of paying invoices within 30 working days.

During the year the Council paid 9740 invoices totalling £20.6M (09/10 8740 invs, £18.4M) with an average payment interval of 32 days (09/10 34 days).

The Minister at the Department of Finance and Personnel has reduced the target for the payment of invoices for central government departments to 10 days. This target is not mandatory on local government but the Council endeavours to process invoices as quickly as possible and will keep its performance under review.

The 'number of days' is calculated as the difference between the invoice date and the payment date.

18 Provisions

Current year

	At 1 April 2010	Increase in provision during year	Utilised during year	At 31 March 2011
	£	£	£	£
Single status	0	0	0	0
Landfill closure	213,660	0	6,563	207,097
Claims management	184,000	60,000	124,000	120,000
	397,660	60,000	130,563	327,097
Current Provisions	184,000	60,000	124,000	120,000
Long Term Provisions	213,660	0	6,563	207,097
	397,660	60,000	130,563	327,097

Comparative Year

	At 1 April 2009	Increase in provision during year	Released during year	At 31 March 2010
	£	£	£	£
Single status	142,000	60,981	202,981	0
Landfill closure	0	213,660	0	213,660
Claims management	24,000	160,000	0	184,000
	166,000	434,641	202,981	397,660
Current Provisions	166,000	220,981	202,981	184,000
Long Term Provisions	0	213,660	0	213,660
	166,000	434,641	202,981	397,660

- Provision has been made to cover legal expenses in relation to ongoing cases
- A provision had been made for the aftercare costs of Council owned landfill sites. The Northern Ireland Environment Agency will be reviewing the adequacy of Council's financial provision for landfill capping and aftercare costs in 2010/11 in line with its paper "Financial Provision for waste management activities in NI". As a consequence the current landfill closure provision reflected in the financial statements may change.
- Claims in relation to 'Single Status' have been settled and no further provision is necessary.

19 Contingencies

Contingent Assets

Council has made a claim for compound interest repayment following successful reclaim of monies plus simple interest under the "Fleming" VAT case ruling. The claim is for approximately £150,000. It is unknown when this will be finalised.

Contingent Liabilities

Council continues to incur aftercare costs of leachate removal and water sampling associated with its former landfill site at Craigmore.

Provision has been made for the external costs but Council cannot determine with any certainty the level of costs in the future.

20 Financial Instruments

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

Credit Risk

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

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

	£
Less than three months	133,458
More than three months	193,353

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

Liquidity Risk

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

Market Risk

Interest rate risk

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

Foreign exchange risk

The Council maintains a bank account denominated in Euros for the purpose of paying suppliers resident in the Eurozone. Payments in the year totaled €13,789 (09/10 €9,151). Consequently Council has no material exposure to loss arising from movements in exchange rates.

Fair Value of Soft Loans and Government Loans

The Council is in receipt of loans from the Department of Finance and Personnel and market loans that differ from the prevailing market rates. The fair value of these loans is £22,734,776 analysed as follows:

	£
Government Loans	17,516,122
Market Loans	5,218,654
Total	22,734,776

The Council has made no loans to voluntary organisations and other external bodies at less than market rates (soft loans). There is therefore no fair value consideration necessary.

21 Retirement Benefits

21a Participation in the Northern Ireland Local Government Officers' Pension Fund.

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

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

21b Transactions relating to retirement benefits- Comprehensive Income and Expenditure Statement Charges:

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

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

	Note	2010/11	2009/10
		£	£
Net cost of services:			
Current service cost		1,105,000	536,000
Past service cost/(gain)	*	(3,189,000)	222,000
Gains and losses on settlements or curtailments		0	0
Net operating expenditure:			
Interest cost	8e	1,754,000	1,355,000
Expected return on scheme assets	8e	(1,545,000)	(964,000)
Net charge to the Comprehensive Income and Expenditure Statement		(1,875,000)	1,149,000
Adjustments between accounting basis & funding basis under regulations:			
Reversal of net charges made for retirement benefits in accordance with IAS 19	3a	1,875,000	(1,149,000)
Actual amount charged against the general fund balance for pensions in the year:			
Employers' contributions payable to scheme	3a	1,028,000	920,000
Net charge to the Comprehensive Income and Expenditure Statement		2,903,000	(229,000)

* Past Service Cost is recognised in the Comprehensive Income and Expenditure Statement within Non-Distributed Costs.

The service cost figures include an allowance for administration expenses of 0.3%

In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Statement, actuarial gains of £4,845k (£7,745k loss in 2009/10) were included in other comprehensive income and expenditure in the Comprehensive Income and Expenditure Statement. The cumulative amount of actuarial gains and losses recognised in other comprehensive income and expenditure is a gain of £4,845k.

21c Assets and Liabilities in Relation to Retirements Benefits

Reconciliation of present value of the scheme liabilities

	Note	2010/11	2009/10
		£	£
Balance as at 1 April		34,095,000	19,486,000
Current service cost		1,105,000	536,000
Interest cost	8e	1,754,000	1,355,000
Contributions by members		366,000	350,000
Actuarial losses/(gains)		(5,466,000)	12,955,000
Past service costs/(gains)		(3,189,000)	222,000
Losses/(gains) on curtailments		0	0
Liabilities extinguished on settlements		0	0
Estimated unfunded benefits paid		(28,000)	(27,000)
Estimated benefits paid		(885,000)	(782,000)
Balance as at 31 March		27,752,000	34,095,000

Reconciliation of present value of the scheme assets:

	Note	2010/11	2009/10
		£	£
Balance as at 1 April		21,247,000	14,610,000
Expected return on assets		1,545,000	964,000
Contributions by members		366,000	350,000
Contributions by employer		1,000,000	893,000
Contributions in respect of unfunded benefits		28,000	27,000
Actuarial gains/(losses)		(621,000)	5,212,000
Assets distributed on settlements		0	0
Unfunded benefits paid		(28,000)	(27,000)
Benefits paid		(885,000)	(782,000)
Balance as at 31 March		22,652,000	21,247,000

Councils to include a narrative description of the basis used to determine the overall expected rate of return on assets, including the effect of the major categories of plan assets. 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 Council's share of the Net Pension Liability (included in the Balance Sheet):

	31/03/2011	31/03/2010	31/03/2009
	£	£	£
Fair Value of Employer Assets	22,652,000	21,247,000	14,610,000
Present value of funded liabilities	(27,295,000)	(33,587,000)	(19,068,000)
Net (Under)/Overfunding in Funded Plans	(4,643,000)	(12,340,000)	(4,458,000)
Present Value of Unfunded Liabilities	(457,000)	(508,000)	(418,000)
Unrecognised Past Service Cost	0	0	0
Amounts not recognised as an asset	0	0	0
Fair value of reimbursement rights recognised as an asset	0	0	0
Other amounts not recognised in the Balance Sheet	0	0	0
Net Asset/(Liability)	(5,100,000)	(12,848,000)	(4,876,000)
<i>Amount in the Balance sheet:</i>			
Liabilities	(5,100,000)	(12,848,000)	(4,876,000)
Assets	0	0	0
Net Asset/(Liability)	(5,100,000)	(12,848,000)	(4,876,000)

21d Scheme History

Analysis of scheme assets and liabilities:

	31/03/2011	31/03/2010	31/03/2009
	£	£	£
Fair Value of Assets in pension scheme	22,652,000	21,247,000	0
Present Value of Defined Benefit Obligation	(27,752,000)	(34,095,000)	0
Surplus/(deficit) in the Scheme	(5,100,000)	(12,848,000)	0

Amount recognised in Other Comprehensive Income and Expenditure:

	31/03/2011	31/03/2010	31/03/2009
	£	£	£
Actuarial gains/(losses)	4,845,000	(7,743,000)	0
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	0	0	0
Actuarial gains/(losses) recognised in Other Comprehensive Income and Expenditure	4,845,000	(7,743,000)	0
Cumulative actuarial gains and losses	(2,898,000)	(7,743,000)	0

History of experience gains and losses:

Experience gains and (losses) on assets	(621,000)	5,212,000	0
Experience gains and (losses) on liabilities	2,763,000	0	0

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £5.1million has a substantial impact on the net worth of the Council as recorded in the Balance Sheet.

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

Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2012

	31/03/2012	31/03/2012
	£	%
Projected current cost	1,213,000	18.9%
Interest on obligation	1,548,000	24.2%
Expected return on assets	(1,589,000)	-24.8%
Past service cost	0	0.0%
Gains and losses on settlements or curtailments	0	0.0%
	1,172,000	18.3%

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the Council in the year to 31 March 2012 is £1.153million.

History of experience gains and losses

The actuarial gains identified as movements on the Pensions Reserve 2010/11 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2011.

	31/03/2011	31/03/2010	31/03/2009
	%	%	%
Experience (gains and (losses) on Assets	-3%	25%	0%
Experience gains and (losses) on liabilities	-10%	0%	0%

21e Basis for Estimating assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The Council's Fund liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates for the Council Fund being based on data pertaining to the latest full valuation of the scheme as at 31 March 2010

	2010/11	2009/10
Long-term expected rate of return on assets in the scheme:		
Equity investments	7.50%	7.80%
Bonds	4.90%	5.00%
Property	5.50%	5.80%
Cash	4.60%	4.80%
Mortality assumptions:		
<i>Longevity at 65 current pensioners:</i>		
Men	22.9 years	20.8 years
Women	25.7 years	24.1 years
<i>Longevity at 65 for future pensioners:</i>		
Men	24.9 years	22.3 years
Women	27.7 years	25.7 years
Inflation/Pension Increase Rate	2.80%	3.80%
Salary Increase Rate	5.10%	5.30%
Expected Return on Assets	6.90%	7.20%
Discount Rate	5.50%	5.50%
Take-up of option to convert annual pension into retirement lump sum:		
Service to April 2009	50%	50%
Service post April 2009	75%	75%

21f Major categories of plan assets as percentage of total plan assets

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

	31/03/2011	31/03/2010	31/03/2009
	%	%	%
Equity investments	77	77	73
Bonds	14	14	14
Property	6	6	7
Cash	3	3	6
	100	100	100

22 Capital Grants Received in Advance

	Note	2010/11	2009/10	2008/09
		£	£	£
Opening balance		1,000,000	1,000,000	1,000,000
Add: new capital grants received in advance (condition of use not met)		0	0	0
Less: amounts released to the Comprehensive Income and Expenditure Statement		0	0	0
		1,000,000	1,000,000	1,000,000

Analysis of Capital Grants Receipts in Advance Balance

The balance of Capital Grants Receipts in Advance represents grants received that have yet to be recognised as income, as they have conditions attached to them, which will require the grant to be repaid, if conditions are not met. The balances at the year-end are as follows:

	Note	2010/11	2009/10	2008/09
		£	£	£
Capital Grants Receipts in Advance				
Grant A		0	0	0
Grant B		0	0	0
Grant C		0	0	0
		0	0	0

23 Donated assets

There are no donated assets recognised.

24 Other Cash Flow Disclosures

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

	Notes	2010/11 £	2009/10 £
Adjustment to surplus or deficit on the provision of services for noncash movements			
Depreciation		1,450,976	1,680,720
Impairment & downward revaluations (& non-sale derecognitions)		623,260	2,802,594
Amortisation (included with depreciation above)		0	176
(Increase)/Decrease in Stock		(12,613)	21,535
(Increase)/Decrease in Debtors		216,134	(279,934)
Increase/(decrease) in impairment provision for bad debts		0	0
Increase/(Decrease) in Creditors		(295,912)	367,194
Increase/(Decrease) in Interest Creditors		0	0
Payments to NILGOSC		(2,903,000)	229,000
Carrying amount of non-current assets sold		219,725	50,086
WIP written off to Net Cost of Services		0	0
Contributions to Other Reserves/Provisions		(24,669)	8,797
Movement in value of investment properties-included above in Impairment & downward revaluations (& non-sale derecognitions)		0	0
Amounts posted to DFS from Donated Assets Account	22	0	0
		(726,099)	4,880,168
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities			
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		(1,255,583)	(765,896)
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		0	0
Proceeds from the sale of PP&E, investment property and intangible assets		0	(23,630)
Capital grants included in "Taxation & non-specific grant income"		(689,557)	(708,865)
		(1,945,140)	(1,498,391)

24b Cash and Cash Equivalents

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

	31/03/2011 £	31/03/2010 £	31/03/2009 £
Cash and Bank balances	2,247,264	1,271,116	1,202,021
Short Term Investments (considered to be Cash Equivalents)	1,404,176	1,730,189	1,014,373
Short Term Deposits (considered to be Cash Equivalents)	0	0	0
Bank Overdraft	0	0	0
	<u>3,651,440</u>	<u>3,001,305</u>	<u>2,216,394</u>

24c Cash Flow Statement-Operating Activities

The cash flows from operating activities include:

	2010/11 £	2009/10 £
Interest received	<u>101,232</u>	<u>235,508</u>
Interest paid	<u>1,216,612</u>	<u>1,239,622</u>

24d Cash Flows from Investing Activities

	2010/11 £	2009/10 £
Purchase of PP&E, investment property and intangible assets	2,781,088	3,017,682
Purchase of Short Term Investments (not considered to be cash equivalents)	0	0
Purchase of Long Term Investments	0	0
Other Payments for Investing Activities	0	0
Proceeds from the sale of PP&E, investment property and intangible assets	0	(23,630)
Proceeds from Short Term Investments (not considered to be cash equivalents)	0	0
Proceeds from Long Term Investments	0	0
Capital Grants and Contributions Received	(259,368)	(468,860)
Other Receipts from Investing Activities	0	0
Net Cash flows from Investing Activities	<u>2,521,720</u>	<u>2,525,192</u>

24e Cash Flows from Financing Activities

	2010/11	2009/10
	£	£
Cash Receipts from Short and Long Term Borrowing	0	750,000
Other Receipts from Financing Activities	482,563	0
Cash payments for the reduction of the outstanding liability relating to a finance lease and on-Balance Sheet PFI contracts	(161,282)	(327,793)
Repayment of Short and Long Term Borrowing	(677,598)	(661,820)
Other payments for Financing Activities	0	0
Net Cash flows from Financing Activities	<u>(356,317)</u>	<u>(239,613)</u>

25a Analysis of Movement on Reserves – Current Year

	USABLE RESERVES				UNUSABLE RESERVES				TOTAL UNUSABLE RESERVES	TOTAL AUTHORITY RESERVES				
	Capital Receipts Reserve	Capital Grants Unapplied Account (new)	Capital Fund Repairs Fund	Other Balances and Reserves (Election Reserve)	District Fund	Capital Adjustment Account	Financial Instruments Account	Revaluation Reserve			Financial Instruments Reserve	Pensions Reserve	Deferred Capital Receipts Account	Accumulated Absences Claw-Back Account
	£	£	£	£	£	£	£	£	£	£	£	£	£	
At 1 April 2010	441,578	0	0	289,559	2,107,993	2,134,660	4,973,779	18,448,270	0	8,245,460	0	0	13,945,720	18,819,499
Movements during the year:														
Applied Capital Grants		3,212,323				(698,557)	(698,557)	698,557					698,557	0
Unapplied Capital Grants received in year		0	0	0	0	0	0	0					0	0
Unapplied Capital Grants transferred to CAA in year		0	0	0	0	(1,680,724)	(1,680,724)	1,680,724					1,680,724	0
Direct Revenue Financing														0
Depreciation & Impairment adjustment						2,074,236	2,074,236	(2,074,236)					(2,074,236)	0
Loan/lease principal repayments						(356,318)	(356,318)	356,318					356,318	0
Net Revenue expenditure funded from capital under statute						0	0	0					0	0
Surplus/(Deficit) on the Provision of Services and Comprehensive Income and Expenditure Statement						6,198,411	6,198,411	0					0	6,198,411
Net movements on Pension Reserve						750,000	(42,389)	520,648					2,903,000	0
Disposal of Fixed Assets/Capital Sales						219,725	219,725	(219,725)					(219,725)	0
Capital Receipts used to finance capital expenditure						0	0	0					0	0
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with Financial						0	0	0					0	0
Revaluation						(24,669)	(24,669)	0		49,735	0	0	4,894,735	4,894,735
Other Movements						0	0	0					0	(24,669)
Transfers between Capital Fund/Repair Fund & CAA to finance capital expenditure						0	0	0					0	0
Total movements on reserves during the year (Change in Net Worth)	(24,669)	0	750,000	(42,389)	520,648	1,635,514	2,859,104	432,638	0	49,735	0	0	7,748,000	11,069,477
At 31 March 2011	416,909	0	750,000	247,150	2,628,611	3,770,207	7,812,877	18,880,908	0	8,295,185	0	0	22,076,093	29,888,970

25b Analysis of Movement on Reserves – Comparative Year

	USABLE RESERVES				UNUSABLE RESERVES							TOTAL AUTHORITY RESERVES				
	Capital Receipts Reserve	Capital Grants Unapplied Account	Capital Fund	Renewal & Repairs Fund	Other Balances and Reserves (e.g. Election Reserve)	District Fund	TOTAL USABLE RESERVES	Capital Adjustment Account	Financial Instruments Adjustment Account	Revaluation Reserve	Available for Sale Financial Instruments Reserve		Pensions Reserve	Deferred Capital Receipts Account	Accumulated Absences Account	Rate Clerk Back Reserve
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
At 1 April 2009	1,145,948	0	0	111,968	1,548,239	727,942	3,534,087	17,800,487	0	0	0	0	0	0	0	20,367,544
IFRS Adjustments							(79,205)	1,767,406				(370,040)				(2,817,759)
At 1 April 2009	1,145,948	0	0	111,968	1,548,239	648,737	3,454,882	19,570,893	0	0	0	(4,876,080)	0	0	0	18,148,795
Movements during the year:																
Applied Capital Grants						(708,865)	(708,865)	708,865								708,865
Unapplied Capital Grants received in year						0	0	0								0
Unapplied Capital Grants transferred to CAA in year						0	0	0								0
Direct Revenue Financing						(1,383,502)	(1,383,502)	1,383,502								1,383,502
Depreciation & impairment adjustment						4,483,314	4,483,314	(4,483,314)								(4,483,314)
Loans from principal repayments						(580,925)	(580,925)	580,925								580,925
Net revenue expenditure funded from capital under statute						0	0	0								0
Surplus (Deficit) on the Provision of Services						167,773	167,773	0								167,773
Transfers between Statutory and Other Reserves and Comprehensive Income, and Expenditure Statement						(700,369)	(700,369)	0								0
Net movements on Pension Reserve						229,000	229,000	(229,000)				(229,000)				(229,000)
Disposal of Fixed Assets/Capital Sales						26,456	26,456	(50,086)				(50,086)				(50,086)
Capital Receipts used to finance capital expenditure						0	0	0								0
Differences between Finance and other costs and income calculated on up accounted basis and finance costs calculated in accordance with statutory requirements						0	0	0								0
Revaluation						0	0	0								0
Other Movements						0	0	470				(7,743,000)				502,450
Transfers between Capital Fund/Financial & Repair Fund & CAA to Finance capital expenditure						(985)	(985)	0				8,245,450				(515)
						(727,015)	(727,015)	727,015								727,015
Total movements on reserves during the year (Change in Net Worth)	(704,370)	0	0	177,571	559,724	1,485,966	1,518,881	(1,122,823)	0	8,245,450	0	(7,972,000)	0	0	0	(848,173)
At 31 March 2010	441,578	0	0	289,539	2,107,963	2,134,693	4,973,773	18,448,270	0	8,245,450	0	(12,848,000)	0	0	0	13,845,720

26 Useable Reserves

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

This fund was established under section 56 of the Local Government Act (NI) 1972 and has an approved limit of £3,500,000.

26d Renewal and Repairs

This fund was established under section 56 of the Local Government Act (NI) 1972 and has an approved limit of £5 million.

	£
Leisure Centre Refurbishment	80,000
Community Centre Refurbishment	67,150
General	100,000
Total	247,150

26e District Fund

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

26f Sinking Fund

A Sinking Fund has been established to repay loans where the principal outstanding is repayable on maturity.

26g Loan Repayment Reserve

A Loan Repayment Reserve has been established to off-set Government Loans Fund repayments on third party loans.

27 Unusable Reserves for the year ended 31 March 2011

27a Capital Adjustment

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

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

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

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

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

27b Financial Instruments Adjustment Account

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

27c Revaluation Reserve

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

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

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

The purpose of this account is to build up a balance based on the revaluation (upwards or downwards) of individual assets. All such revaluations (excluding impairment losses that have been debited to Surplus/(Deficit) on the Provision of Services in the) are mirrored in Other Comprehensive Income and Expenditure. It is a fundamental principle of this account that it never becomes negative. If an asset was held at current value when derecognised, the balance held on the Revaluation Reserve is written off to the Capital Adjustment Account.

27d Pension Reserve

Refer to Note 21.

27e Deferred Capital Receipts Account

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

28 Related Party Transactions

A Related Party Transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related Party Transaction exclude transactions with any other entity that is a related party solely because of its economic dependence on the Council or the Government of which it forms part. A related party is one that has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes cases where the related party entity and another entity are subject to common control but excludes providers of finance in the course of their normal business with the Council and Trade Unions in the course of their normal dealings with the Council. In addition, where the relationship with the Council and the entity is solely that of an Agency (see note 28) this is not deemed to be a Related Party Transaction.

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 Council's financial and operating policies. In the 2010/11 financial year the Council commissioned £1,647,400 of works and services from Arc21 in which Councillors had an interest. Council also invoiced this organisation £87,644 during the 2010/11 financial year. The Council entered into these contracts in full compliance with its financial regulations.

The Council also paid grants to a number of organisations in which Councillors and Council officers had an interest. These grants were made with proper consideration of declaration of interests.

The Council provides administration support to a number of related organisations. During 2010/11, the Council reported income of £17,830 from these organisations of which £3,695 was outstanding at 31 March 2011.

During 2010/11 the Council had expenditure of £317,622 to other Councils, of which £33,831 was outstanding at 31 March 2011. These amounts mainly related to services provided. In addition Council provided services to other Councils to the value of £51,619 of which £3,801 was outstanding at 31 March 2011.

During the year Council acted as an agent in the delivery of Environmental Improvement Schemes, totalling £170,291, in conjunction with the Department of Social Development, the Department of Regional Development and GROW South Antrim Joint Council Committee.

29 First Time Adoption of IFRS

These are the Council's first financial statements prepared in accordance with International Financial Reporting Standards (IFRS). The date of transition to IFRS is 1 April 2009.

The Council's IFRS accounting policies presented in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2011, the comparative information and the opening statement of financial position at the date of transition.

The Council has applied the IFRS 1 First-time Adoption of International Financial Reporting Standards in preparing these first IFRS compliant financial statements, except in cases where interpretations or adaptations to fit the public sector, have been prescribed by the Code of Practice

on Local Authority Accounting (The Code). Material differences between amounts presented under the SORP 2009 and the IFRS-based Code are explained below.

29a Post Employment Benefits

The Northern Ireland Local Government Officer's Superannuation Scheme (NILGOS) was previously accounted for as if it were a defined contribution scheme. Under the Code this is no longer the case and Councils are required to account for their pension plans on a defined benefit basis. Councils are therefore required to recognise their defined benefit obligation and the fair value of the plan assets attributed to them on their opening IFRS balance sheet (1 April 2009). Regulations require the charge to the District Fund to be based on retirement benefits payments and contributions to pension funds which are payable for that financial year. Since the defined benefit obligation is greater than the plan assets, a net pension liability is included in the balance sheet. As a result of adopting the accounting policy required by the Code, the financial statements have been amended as follows:

- A** The net difference between the defined benefit obligation and the plan assets at 31 March 2009 has been transferred to a net pension liability in the opening 1 April 2009 balance sheet.
- B** Employers contributions previously charged to cost of services during 2009/10 have been adjusted (credited) to Service Revenue Accounts, to reduce the defined benefit obligation. [When accounting for a defined benefit scheme, employer contributions are not charged to the Comprehensive Income and Expenditure Statement, but reduce the defined benefit obligation].
- C** The current service cost (net of employee contributions) has been charged to service revenue accounts during 2009/10 to comply with the provisions of the Code.
- D** The assumed pension interest cost and assumed return on pension plan assets have both been recognised in financing and investment income and expenditure in the Comprehensive Income and Expenditure Statement and in the net pension liability in the balance sheet.
- E** Actuarial gains/(losses) have been recognised in other comprehensive income and expenditure in the Comprehensive Income and Expenditure Statement and in the net pension liability in the balance sheet.

Accounting for the Northern Ireland Local Government Officer's Superannuation Scheme on a defined benefit basis has resulted in the following changes being made to the 2009/10 financial statements:

Opening 1 April 2009 Balance Sheet

	2009/10 Statements	Adjustments Made
	£	£
Net Pension Liability	370,040	4,505,960
Pension Reserve	(370,040)	(4,505,960)

31 March 2010 Balance Sheet

	2009/10 Statements	Adjustments Made
	£	£
Net Pension Liability	354,344	12,493,656
Pension Reserve	(354,344)	(12,493,656)

2009/10 Comprehensive Income and Expenditure Statement

	2009/10 Statements	Adjustments Made
	£	£
Leisure and Recreational Services	6,732,430	72,107
Environmental Services	7,793,769	(271,562)
DRM and Corporate Management	1,479,556	(24,314)
Other Services	551,876	226,105
Financing and Investment Income and Expenditure [<i>net of pensions interest cost and return on pension plan assets</i>]	1,008,854	391,000
Other Comprehensive (Income) and Expenditure [<i>Actuarial gains/(losses) on pension assets and liabilities (net amount)</i>]	26,456	(7,743,000)

There is no change to the District Fund balance, as the Accounts Direction permits the impact of the defined benefit pension accounting to be transferred out of the District Fund to the pensions reserve

29b Government Grants

Under the Code, grants and contributions for capital schemes are recognised as income when they become receivable. Previously, grants were held in a grants deferred account and recognised as income over the life of the assets which they were used to fund

As a result of adopting the accounting policy required by the Code, the financial statements have been amended as follows:

- A** The balance on the Government Grants Deferred Account at 31 March 2009 has been transferred to the Capital Adjustment Account in the opening 1 April 2009 balance sheet
- B** Portions of government grants deferred were previously recognised as income in 2009/10; these have been removed from the Comprehensive Income and Expenditure Statement in the comparative figures

- C** A grant was received in 2009/10 but not used. Previously, no income was recognised in respect of this grant, which was shown in the Government Grants Deferred Account within the liabilities section of the balance sheet. Following the change in accounting policy, the grant has been recognised in full, and transferred to the Capital Grants Unapplied Account within the reserves section of the balance sheet.

These have resulted in the following changes being made to the 2009/10 financial statements:

Opening 1 April 2009 Balance Sheet

	2009/10 Statements	Adjustments Made
	£	£
Government Grants Deferred Account	(2,767,406)	2,767,406
Capital Adjustment Account	17,803,487	(2,767,406)

31 March 2010 Balance Sheet

	2009/10 Statements	Adjustments Made
	£	£
Government Grants Deferred Account	(3,347,500)	3,347,500
Capital Adjustment Account	16,100,771	(2,347,500)
Capital Grants Unapplied Account	0	(1,000,000)

2009/10 District Summary

	2009/10 Statements	Adjustments Made
	£	£
Leisure and Recreational Services	6,732,430	118,940
Environmental Services	7,793,769	9,831
Taxation & Non-Specific Grant Income	(17,436,390)	(708,865)

There is no change to the District Fund balance, as capital grant income is transferred out of the District Fund under both the previous and current accounting policies.

29c Short Term Accumulating Absences

Short-term accumulating compensated absences refer to benefits that employees receive as part of their contract of employment, entitlement to which is built up as they provide services to the Council. The most significant benefit covered by this heading is holiday pay.

Employees build up an entitlement to paid holidays as they work. Under the Code, the cost of providing holidays and similar benefits is required to be recognised when employees render services that increase their entitlement to future compensated absences. As a result, the Council is required to accrue for any annual leave earned but not taken at 31 March each year. Under the previous accounting arrangements, no such accrual was required.

Regulations have been issued that mean local Councils are only required to fund holiday pay and similar benefits when they are used, rather than when employees earn the benefits. Amounts are transferred to the Accumulated Absences Account until the benefits are used.

Accruing for short-term accumulating compensated absences has resulted in the following changes being made to the 2009/10 financial statements:

Opening 1 April 2009 Balance Sheet

	2009/10 Statements	Adjustments Made
	£	£
Short Term Creditors	(79,205)	(79,205)
Accumulated Absences Account	79,205	79,205

31 March 2010 Balance Sheet

	2009/10 Statements	Adjustments Made
	£	£
Short Term Creditors	(87,510)	(87,510)
Accumulated Absences Account	87,510	87,510

2009/10 Comprehensive Income and Expenditure Statement

	2009/10 Statements	Adjustments Made
	£	£
Leisure and Recreational Services	6,732,430	4,462
Environmental Services	7,793,769	3,117
DRM and Corporate Management	1,479,556	726
Other Services	551,876	0

29d Leases

Under the Code, leases of property are accounted for as separate leases of land and buildings. Previously, each property lease would have been accounted for as a single lease. The change in accounting treatment can result in the land or buildings element of the lease being accounted for as an operating lease where it was previously treated as a finance lease; or as a finance lease where it was previously treated as an operating lease.

For leases entered into after 1st April 2010, where the Council is Lessor, new arrangements will necessitate revenue being accounted for in accordance with the code. However, for existing arrangements prior to that date, where the Council is a Lessor, and where Operating Leases are reclassified to Finance Leases under the Code, statutory guidance permits the amount now recognised as a capital receipt to be retained in the District Fund. Therefore, the Council will report a transfer to the District Fund from the Capital Receipts Reserve in the Movement In Reserves Statement.

29d (i) Finance Leases – Land and Buildings (Council is Lessor)

There are no finance leases in place with Council acting as the lessor.

29d (ii) Finance Leases – Plant and Equipment (Council is Lessee)

There were no assets reclassified from operating leases to finance leases.

Accounts Authorised For Issue

In accordance with International Accounting Standard (IAS 10) this Statement of Accounts which contains a number of material amendments from the Accounts approved on 29th June are at today's date hereby authorised for issue. Any material amendments will be explained and reported in accordance with Regulation 12 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006.

IAS 10 sets out

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

Material Amendments

- Presentational adjustment of £323k between vat and creditors
- Adjustment to fixed asset values following a year end valuation of land and property assets by reference to property indices. The impact of this was to increase long term assets by £505k, Capital adjustment account by £347k and the revaluation reserve by £158k

Signed:



Chief Financial Officer

Date:

31st Oct 2011

