

BALLYMENA BOROUGH COUNCIL

ANNUAL REPORT AND ACCOUNTS

2009/10

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Explanatory Foreword

Introduction

The Council's financial performance for the year ended 31 March 2010 is as set out in the District Fund - Income and Expenditure Account and Balance Sheet.

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (SORP) and the Department of the Environment Accounts Direction, Circular LG 10/10 dated 23 April 2010. It is the purpose of this foreword to explain the financial facts in relation to the Council. Comparative figures have been re-stated to take account of changes in accounting treatment as a result of the SORP.

This Statement of Accounts explains Ballymena Borough Council's finances during the financial year 2009/10 and its financial position at the end of that year. It follows approved accounting standards and is necessarily technical in parts.

Group Accounts

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

These accounts do not reflect the cost or other transactions of the North Eastern Building Control Group and the Northern Environmental Health Group however a summary of these transactions is shown at note 7 and 9.

Joint Committees/Partnerships

The Council provides administrative support for North East Partnership and the North Eastern Rural Development programme these accounts do not reflect the cost or other transactions for these two organisations however a summary of these transactions is shown at note 9.

Voluntary Transition Committee

The Council is the lead Council for the Voluntary Transition Committee for Ballymena, Carrickfergus and Larne these transactions are reflected in these accounts and are also shown separately at note 7.

Financial Report

For the year ended 31 March 2010 the Council decreased its District Fund - Income and Expenditure Account reserve by £565k to £1,615k. From this reserve the Council has committed £80k under the Sports Grant and Miscellaneous Grant Schemes. The total net expenditure reported in the District Fund - Income and Expenditure Account is £18.9m and includes allocations of £253k to the Repairs and Renewals Fund and £2.8m to address the underfunding of capital expenditure.

Expenditure on capital projects during the year amounted to £1.8m, the most significant spend was on the Showgrounds (£740k), Ardeevin refurbishment (£231k) and Dunclug Play Area (£162k).

Landfill closure costs are estimated at £1.8m and this amount has been placed on deposit to cover these costs

Financial Position

The Council has reported a deficit of £564,938 for the year ended 31 March 2010. A summary of the income and expenditure reported by the Council with comparison to the estimates for the year can be seen in the table below:-

| | <u>Actual</u> | <u>Estimated</u> | <u>Variance</u> |
|----------------------|---------------------|---------------------|-----------------|
| Net Cost of Services | 18,923,961 | 18,308,224 | 615,737 |
| Financed by:- | | | |
| General Grant | (1,212,474) | (1,167,055) | (45,419) |
| District Rates | <u>(17,146,549)</u> | <u>(17,141,169)</u> | <u>(5,380)</u> |
| (Surplus) / Deficit | 564,938 | 0 | 564,938 |

Current Borrowing Facilities

The table below sets out the Councils main external borrowing position at 31 March 2010 with a comparison against the position at 31 March 2009:-

| | <u>2009/10</u> | <u>2008/09</u> |
|--------------------------|----------------|----------------|
| | <u>£'000</u> | <u>£'000</u> |
| Short Term Borrowing | 2,719 | 5,645 |
| Long Term Borrowing | <u>24,825</u> | <u>23,452</u> |
| Total External Borrowing | <u>27,544</u> | <u>29,097</u> |

Short Term Borrowing has decreased during the year due to proceeds of Capital Sales, converting short term borrowing into long term borrowing and revenue contributions to capital. This borrowing will continue to be replaced in 2010/11.

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 Finance, Estates and ICT Committee on 28 June 2010.

The Chief Financial Officer's Responsibilities

Under Regulation 4[a] 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 present a true and fair view of the income and expenditure and cash flow 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: A Statement of Recommended Practice (SORP) as amended and augmented from time to time.
- follow relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis.
- 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.
- take reasonable steps for the prevention and detection of fraud and other irregularities.

Annual Governance Statement 2009/10

Scope of Responsibility

Ballymena Borough Council ('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 also has a duty under Local Government (Best Value) Act (Northern Ireland) 2002 to make arrangements for continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

The Council is required to prepare an Annual Governance Statement which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*, and which is in full compliance with the Framework for the year commencing 1 April 2009. This statement explains how the Council meets the requirements of Regulation 2A of the Local Government Accounts and Audit (Amendment) Regulations (Northern Ireland 2006) in relation to the publication of a statement on internal control.

The Purpose of the Governance Framework

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

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the 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.

The Governance Framework has been in place at the Council for the year ended 31 March 2010 and up to the date of approval of the Financial Statements.

The Governance Framework

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

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

The Corporate Strategy document has been prepared and shapes the direction of the Council to 2012.

The vision for Ballymena is " a place of significance at the heart of Northern Ireland, connected with the people, representing local needs and delivering top quality services." The vision is underpinned by the values that govern how the Council acts and delivers services, by being:

Progressive
Proactive
Prudent

The Council has set priorities within the scope of broader public policy in consultation with stakeholders. The strategy addresses:

Regional strategies
Societal / People
Spatial / Place / Environment
Sustainability
Excellence in service provision
Good stewardship

Objectives and Areas for Action have been identified against each of these priorities.

The Strategy against which business plans will be developed and performance standards set and measured is a public statement of the Council's commitment to improve the quality of life for all the citizens and to develop the borough to be an attractive place in which to work, live and visit.

This document will be widely circulated to a range of public, business and community stakeholders. The Council strategy is on the website. An extract of the key points of the strategy was included in the ratepayers newsletter - In Focus - published in Autumn 2009.

- **Reviewing the Council's vision and its implications for the Council's governance arrangements.**

The Council will review the Corporate Strategy on an annual basis to ensure that it still meets the authority's vision for the local area. In particular the Council will ensure that the many partnerships in which it is involved are underpinned by this vision.

An annual report will be prepared outlining progress in achieving key performance targets. This will also be published on the Council website.

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

Measurement of quality of service for users is undertaken in the form of business plans and performance reports, which are submitted to the relevant committees. A Services Satisfaction Survey is planned for Autumn 2010.

Performance Reports and Business Plans are linked to the Corporate Strategy and ensure that operational objectives cascade down to individual level. The plans will be reviewed annually and monitored by Senior Management Team, directors, assistant directors and managers within departments and service areas. These plans are also reviewed quarterly at the Audit & Scrutiny Committee.

Councillor - Officer engagement is an important element in ensuring that services delivered meet the requirements of ratepayers.

Financial performance is assessed through regular budget meetings and is reported to Council periodically. Value for money auditing can be carried out by both internal and external auditors and the Corporate & Business Improvement Officer.

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

The Council fulfils its function through a Committee Structure. All decisions are recorded, minuted and available for public inspection.

Roles, responsibilities and order for this are contained in Standing Orders (last updated September 2009). All Councillors and Directors are issued with Standing Orders.

The Chief Executive is the head of the paid officers of Council. She is responsible and accountable to the Council for all aspects of Council functions including Finance and Human Resources.

A number of operational matters are delegated to Senior Management. No formal scheme of delegation exists and it is not the intention of Council to introduce such a scheme due to limited life of current Council. The Council are satisfied that the respective roles and responsibilities are understood by both Councillors and Officers.

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

Rules for Councillors are circulated to all new and existing members on a regular basis. Whilst at present there is no statutory code of conduct for members, in common with all other Local Authorities in NI newly elected members are required to sign up to, and accept the existing voluntary code of conduct. The Council has adopted the Local Government Staff Commission Code of Conduct for Local Government employees and this is circulated to all officers.

A number of specific policies have been introduced, as guided by the code, including policies on harassment, equality and hospitality.

- **Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks.**

Standing Orders are updated as required. Standing financial instructions are contained in the Financial Control Code. These detail the processes and controls that exist for all financial transactions in the Council

The Council has a Risk Management Policy, which requires identification of both Corporate and Departmental risks, assessment of impact and likelihood of those risks and the mitigating controls in place. The Council has Corporate and Departmental Risk Registers in place and these were reviewed on a rolling basis during the year, All heads of department have submitted an Annual Assurance Statement regarding the operation of internal controls, in respect of their department, to the Chief Executive

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

The Audit & Scrutiny Committee undertakes the core functions an audit committee as identified in CIPFA's Audit Committees Practical Guidance for Local Authorities.

The Committee receives internal and external audit reports and scrutinises Risk Management issues.

The Committee reviewed its performance in June 2010 using Appendix 2 of CIPFA's *Audit Committees - Practical Guidance for Local Authorities*.

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

The Town Clerk and Chief Executive is also the Council's Chief Financial Officer, as outlined in Section 54 of the Local Government Act (Northern Ireland) 1972. The Chief Financial Officer is charged with ensuring the lawfulness and financial prudence of decision-making, providing advice and guidance and ensuring that expenditure incurred is lawful

Financial regulations are contained in the Financial Control Code. These have been approved by Council. They are issued to relevant staff and are updated and maintained within the Finance Department. Any overriding of Financial procedures requires Council approval.

Two councillors review all payments prior to approval at the monthly meeting. Council retain the service of a solicitor for any legal guidance. The internal audit function is outsourced and provides an independent opinion on compliance issues.

The Council have a Fraud Policy, which is updated and circulated to staff and members on an annual basis. Fraud awareness training is provided to relevant staff.

- **Whistle-blowing, receiving and investigating complaints from the public.**

A Whistleblowing Policy is updated and circulated to staff and members on an annual basis. A complaints system records all complaints, comments and compliments from the public.

The complaints system is resourced by the Customer Services Officer. It records complaints, comments, suggestions and has an inbuilt escalation of complaints and reporting mechanism to Senior Management.

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

Training Needs Analysis is carried out for all staff and members. It identifies any training requirements in conjunction with line managers, directors and the Chief Executive. Council employs a Training Officer who identifies and sources appropriate training courses for staff, and where appropriate, elected members to fulfil the training as outlined in the training plan.

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

Communication is important to ensure the community in which the authority exists and other stakeholders are fully aware of Council's aims and objectives. The Annual In Focus magazine is a publication to ratepayers to inform them of council membership, new initiatives and Capital and Revenue Projects. It details how much money is spent and includes satisfaction levels with Council Services. Councillors and officers sit on many partnerships and community groups throughout the borough. A significant amount of resource has been used to create highly developed networks that permit communication and assist Council to achieve their vision.

All documents can be made available in accessible formats such as large print or audio cassette and in minority languages to meet the needs of those who are not fluent in English.

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors.

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

An Audit & Scrutiny Committee was formed to replace the Audit Sub-Committee. It has updated Terms of Reference. The Committee meets monthly. The internal and external auditors attend meetings as appropriate. The Audit & Scrutiny Committee approves a risk based audit plan and considers the findings of internal audit reviews and external audit Management letters.

The Internal Audit function is externally sourced which provides an independent opinion on the Council Governance Framework.

The Audit & Scrutiny Committee reviews the Internal Audit function on an annual basis and through the Assurance Statement provided by the Internal Auditor ensures that its financial management is adequate and effective and that it has sound system of internal control.

A Corporate Risk Register and Risk Registers for Council Services is in place. Action Plans have been formulated for the highest risks in terms of likelihood and impact for each service. The Action Plans were reviewed during the 2009/10 Financial Year.

The Governance Framework within Council has been further enhanced by the employment of a Governance & Business Improvement Officer.

An annual review of the Internal Audit function has been carried out in accordance with the Local Government (Accounts and Audit)(Amendment) Regulations (Northern Ireland) 2006. This review was presented to the Audit & Scrutiny Committee on 17 June 2010, along with the Internal Auditor's Annual Report and Statement of Opinion on Internal Control.

The effectiveness of the Audit Committee was reviewed at the Audit & Scrutiny Committee of 17 June 2010. This was done using the self-assessment checklist in the CIPFA publication, *Audit Committees - Practical Guidance for Local Authorities*. In addition, the implementation of recommendations in Internal and External Audit Reports was reviewed.

The Council will be advised on the implications of the result of the review of the effectiveness of the governance framework, and a plan to address weaknesses and ensure continuous improvement of the system will be put in place.

Significant Governance Issues

During the year 2009/10, arising from the above review, a number of improvements to the overall governance framework were identified for action:

1 Risk Management

Implement a process to ensure operational staff alert supervisors of new and emerging risks in their area of activity, using the process as outlined in the Risk Management Strategy. Escalate these risks to departmental, service and corporate risk registers, as appropriate.

2 Policy Development

Progress further the development and implementation of a range of Council Policies.

3 Post-Project Evaluation

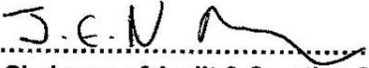
Implement a process for the production of post project appraisals.

In particular, actions are required to implement recommendations on :

- (i) The Braid facility audit through implementing effective and adequate controls over operational and strategic processes within The Braid.
- (ii) Data Protection and Freedom of Information audit through implementing policies, procedures and training.

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

.....

| | | | |
|--------|---|------|-----------|
| Signed |  | Date | 29-6-2010 |
| | Town Clerk & Chief Executive | | |
| Signed |  | Date | 29-6-2010 |
| | Chairman of Audit & Scrutiny Committee | | |

Certificate of the Chief Financial Officer

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2010 on pages 16 to 52 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 20 to 28.
- (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

28TH JUNE 2010

.....
Date

Council Approval of Statement of Accounts

These accounts were approved by resolution of the Council/Committee on 28 June 2010.


.....
Chairman

28 JUNE 2010

.....
Date

Independent Auditor's Report to the Members of Ballymena Borough Council

I have audited the statement of accounts of Ballymena Borough Council for the year ended 31 March 2010 under the Local Government (Northern Ireland) Order 2005. The statement of accounts comprises the Income and Expenditure Account, Statement of Movement on District Fund Balance, Statement of Total Recognised Gains and Losses, Balance Sheet and the Cash Flow Statement. The statement of accounts has been prepared under the accounting policies set out within them.

This report is made solely to the Members of Ballymena Borough Council in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Local Government Code of Audit Practice 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 applicable law, the Local Government Code of Audit Practice issued by the Chief Local Government Auditor and 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 Ballymena Borough Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Ballymena Borough Council; and the overall presentation of the statement of accounts.

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 2009, the financial position of Ballymena Borough Council as at 31 March 2010 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 2009,
 - 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 Ballymena 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.



J Buchanan

J S Buchanan
Local Government Auditor
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

October 2010

District Fund - Income and Expenditure Account for the year ended 31 March 2010

| | Notes | Gross Expenditure £ | 2009/10 Gross Income £ | Net Cost £ | 2008/09 Net Cost £ |
|--|-------|------------------------|---------------------------------|-------------------|-----------------------------|
| Services Expenditure | | | | | |
| Leisure and Recreational Services | | 10,021,978 | 2,677,909 | 7,344,069 | 7,044,233 |
| Environmental Services | | 8,173,938 | 1,230,545 | 6,943,393 | 7,355,606 |
| DRM and Corporate Management | | 1,633,740 | 220,568 | 1,413,171 | 1,396,295 |
| Other Services | | 1,298,958 | 373,998 | 924,960 | 951,308 |
| Continuing operations | | 21,128,614 | 4,503,020 | 16,625,594 | 16,747,442 |
| Acquired operations | | 0 | 0 | 0 | 0 |
| Discontinued operations | | 0 | 0 | 0 | 0 |
| Exceptional items not included in cost of specific services | | 0 | 0 | 0 | 0 |
| Net cost of services | | 21,128,614 | 4,503,020 | 16,625,594 | 16,747,442 |
| Gain or loss on disposal of fixed assets | 25 | 1,211 | 0 | 1,211 | (207,023) |
| Surplus/(Deficit) on trading or other operations | | 0 | 0 | 0 | 0 |
| | | 0 | | | |
| Interest payable and similar charges including gains or losses on the repurchase or early resettlement of borrowings | 6a) | 1,462,886 | 0 | 1,462,886 | 1,662,027 |
| Interest and Investment Income | 6b) | 0 | 69,907 | (69,907) | (97,672) |
| Pensions interest cost and expected return on pensions assets | | 0 | 0 | 0 | 0 |
| Extraordinary Items | | 0 | 0 | 0 | 0 |
| Net Operating Expenditure | | 22,592,711 | 4,572,927 | 18,019,784 | 18,104,774 |
| Income from General Grant and District Rates | | | | | |
| General Grant | | 0 | 1,212,474 | (1,212,474) | (1,168,994) |
| District Rates | 8 | 0 | 17,146,550 | (17,146,550) | (16,217,424) |
| Surplus/(Deficit) for the year | | 22,592,711 | 22,931,951 | 339,240 | (718,356) |

Statement of Movement on the District Fund Balance for the year ended 31 March 2010

| | Notes | 2009/10 £ | 2008/09 £ |
|--|-------------|------------------|------------------|
| Surplus/(Deficit) for the year on the District Fund - Income and Expenditure Account | | 339,240 | (718,356) |
| Net additional amount required by statute and non-statutory proper practices to be debited or credited to the District Fund Balance for the year | 3 | (904,178) | 1,013,601 |
| Movement on the District Fund Balance for the year | 3/25 | (564,938) | 295,245 |
| District Fund Balance Brought Forward | | 2,179,783 | 1,884,538 |
| District Fund Balance Carried Forward | | 1,614,845 | 2,179,783 |

Statement of Total Recognised Gains and Losses for the year ended 31 March 2010

| | Notes | 2009/10 £ | 2009/10 £ | 2008/09 £ | 2008/09 £ |
|---|--------|--------------|----------------|--------------|----------------|
| Surplus/(Deficit) on the District Fund - Income and Expenditure Account for the year | | | 339,240 | | (718,356) |
| Surplus/(Deficit) arising on revaluation of fixed assets | 10 | | 201,885 | | 1,437,357 |
| Amortisation of capital grant on disposed asset | | | 0 | | 65,427 |
| Impairment in value of land | | | (190,611) | | 0 |
| Revaluation of pension reserve/provision | 20a/25 | | 23,227 | | (49,504) |
| Any other gains and losses required to be included in the Statement of Total Recognised Gains and Losses | | | | | |
| Interest on Fund Bank Accounts | | | 48,517 | | 125,056 |
| Other | | | 0 | | 0 |
| Total recognised gains and losses for the year (Change in Net Worth) | | | 422,258 | | 859,980 |
| Prior period adjustments made during the year (as explained in note) * | | | 0 | | 0 |
| Total gains and losses recognised since last annual report (Change in Net Worth) | | | 422,258 | | 859,980 |
| Change in Net Worth (per Balance Sheet) | | | 422,258 | | |

Balance Sheet as at 31 March 2010

| | Notes | 2009/10 £ | 2008/09 £ |
|---|----------------|---------------------|---------------------|
| FIXED ASSETS | | | |
| Intangible Assets | | 0 | 0 |
| Tangible Fixed Assets | | | |
| <i>Operational Assets:</i> | | | |
| Land & Buildings | 10 | 71,870,787 | 73,570,928 |
| Infrastructure Assets | 10 | 0 | 0 |
| Community Assets | 10 | 108,156 | 108,156 |
| Vehicles, Plant, Furniture and Equipment | 10 | 1,380,741 | 1,570,091 |
| <i>Non-Operational Assets:</i> | | | |
| Investment Properties | 10 | 170,000 | 170,000 |
| Assets under Construction | 10 | 3,040,387 | 2,543,623 |
| Surplus Assets held for Disposal | 10 | 0 | 0 |
| TOTAL FIXED ASSETS | 10 | 76,570,071 | 77,962,798 |
| Long Term Investments | 15a | 0 | 0 |
| Long Term Debtors | 14a | 1,048,108 | 1,073,400 |
| TOTAL LONG TERM ASSETS | | 77,618,179 | 79,036,198 |
| CURRENT ASSETS | | | |
| Stocks | 13 | 192,572 | 176,193 |
| Debtors | 14b | 2,301,551 | 1,760,662 |
| Short Term Investments | 15b/24a | 2,548,657 | 2,354,904 |
| Cash and Bank | | 5,371 | 5,121 |
| | | 5,048,150 | 4,296,881 |
| CURRENT LIABILITIES | | | |
| Borrowing repayable on demand or within 12 months | 16a | 2,719,699 | 5,645,314 |
| Creditors | 16a | 1,897,247 | 1,997,971 |
| Bank Overdraft | | 845,655 | 930,953 |
| | | 5,462,601 | 8,574,238 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 77,203,728 | 74,758,841 |
| LONG TERM LIABILITIES | | | |
| Borrowing repayable in excess of 12 months | 17a | 24,824,819 | 23,452,095 |
| Other Long Term Creditors | 17b | 0 | 0 |
| Pension Liabilities | 20a | 209,561 | 251,863 |
| Deferred Liabilities | 18 | 1,814,466 | 1,777,844 |
| Government Grants – deferred | 21 | 12,548,694 | 12,430,939 |
| Other Provisions | 20b | 1,311,331 | 773,492 |
| | | 40,708,871 | 38,686,233 |
| NET ASSETS | | 36,494,862 | 36,072,604 |
| RESERVES: | | | |
| Capital Adjustment Account | 25 | 31,337,755 | 29,929,485 |
| Financial Instruments Adjustment Account | 25 | 0 | 0 |
| Revaluation Reserve | 25 | 1,437,357 | 1,437,357 |
| Available for Sale Financial instruments Reserve | 25 | 0 | 0 |
| Pensions Reserve | 25 | (209,561) | (251,863) |
| Rates Claw-Back Reserve | 25 | 0 | 0 |
| Capital Receipts Reserve | 25 | 0 | 0 |
| Capital Fund | 25 | 0 | 0 |
| Renewal and Repairs Fund | 25 | 1,814,467 | 1,777,843 |
| Other Balances and Reserves | 25 | 500,000 | 1,000,000 |
| District Fund | 25 | 1,614,844 | 2,179,782 |
| NET WORTH | | 36,494,862 | 36,072,604 |

Cash Flow Statement as at 31 March 2010

| | Notes | 2009/10 £ | 2008/09 £ |
|--|-----------------|--------------------|--------------------|
| REVENUE ACTIVITIES | | | |
| Net Cash Inflow from Operating Activities | 23 | 5,049,785 | 4,892,055 |
| Returns on Investments and Servicing of Finance | | | |
| Cash Outflows | | | |
| Interest paid | (1,521,208) | (1,817,064) | |
| Interest element of finance lease payments | (0) | 0 | |
| Cash Inflows | | | |
| Interest received | 118,424 | 222,728 | |
| Net Cash Outflow from Returns on Investments and Servicing of Finance | | (1,402,784) | (1,594,336) |
| CAPITAL ACTIVITIES | | | |
| Cash Outflows | | | |
| Purchase of fixed assets | (2,347,370) | (2,170,871) | |
| Purchase of long-term investments | 0 | 0 | |
| Other capital cash payments - landfill | (265,383) | (314,926) | |
| Cash Inflows | | | |
| Sale of fixed assets | 232,512 | 253,980 | |
| Other grants | 565,431 | 679,863 | |
| Other capital cash receipts | 0 | 0 | |
| before Financing | | (1,814,810) | (1,551,954) |
| Management of Liquid Resources | | | |
| Net increase/decrease in short-term deposits | (193,753) | (421,486) | |
| Net increase/decrease in other liquid resources | 0 | 0 | |
| | | (193,753) | (421,486) |
| FINANCING | | | |
| Cash Outflows | | | |
| Repayment of amounts borrowed | 24c (3,645,314) | (9,557,388) | |
| Capital element of lease rental/hire purchase payments | 24c 0 | 0 | |
| Cash Inflows | | | |
| New loans raised | 24c 2,092,423 | 8,345,721 | |
| New short-term loans | 0 | 0 | |
| | | (1,552,891) | (1,211,667) |
| Increase/(Decrease) in Cash | 24a | 85,548 | 112,612 |

Notes to the Financial Statements

1 Accounting Policies

1a) General Principles

The financial statements have been prepared under the historical cost convention, modified by the revaluation of land and buildings, and are in accordance with directions and guidance contained in the '*Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice*' (SORP) and 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. The general principles adopted in compiling and presenting the financial statements are those specified within the 2009 SORP. The 2009 SORP is based on approved accounting standards for the preparation of financial statements for the financial year beginning 1 April 2009. These financial statements comply with accounting standards issued or adopted by the Accounting Standards Board insofar as these are applicable to local government.

Following from this, the financial statements are presented on the basis that the Council will continue to operate for the foreseeable future, the going concern concept. The accounts also reflect the concept of the primacy of legislative requirements in that, where an accounting treatment is prescribed by law, it must be applied even if it contradicts another accounting concept. In addition the Chartered Institute of Public Finance and Accountancy (CIPFA) publish a number of bulletins dealing with capital finance and Best Value accounting, which have been followed when preparing these financial statements.

The District Fund - Income and Expenditure Account on page 16 has been prepared using the requirements of the Best Value Accounting Code of Practice.

These accounts do not reflect the cost or other transactions of North Eastern Building Control or Northern Environmental Health Group, however a summary of these transactions is shown at notes 7 and 9.

1b) Accounting Concepts

In general, the financial statements are prepared on the basis of historical cost modified by the revaluation of land, buildings, vehicles and plant subject to and in accordance with the fundamental accounting concepts set out below:

Relevance

The financial statements are prepared so as to provide readers with information about the Council's financial performance and position that is useful for assessing the stewardship of public funds.

Reliability

The financial statements are prepared on the basis that the financial information contained within them is reliable, i.e. free from material error, deliberate or systematic bias, complete within the bounds of materiality and represent faithfully what they intend to represent. Where there is uncertainty in measuring or recognising the existence of assets, liabilities, income and expenditure then prudence has been used as a basis to inform the selection and application of accounting policies and estimation techniques.

Comparability

The financial statements are prepared so as to enable comparison between financial years. To aid comparability the Council has applied its accounting policies consistently both during the year and between years.

Understandability

Every effort has been made to make the financial statements as easy to understand as possible. Nevertheless, an assumption has been made that the reader will have a reasonable knowledge of basic accounting and local government finance. Where the use of technical terms has been unavoidable, an explanation has been provided in the body of the financial statements.

Materiality

Certain information may be excluded from the financial statements on the basis that the amounts involved are not material either to the fair presentation of the financial position and transactions of the Council or to the understanding of the accounts.

Accruals

With the exception of the Cash Flow Statement, the financial statements have been prepared on an accruals basis. The accruals basis of accounting requires the non-cash effect of transactions to be reflected in the financial statements for the year in which those effects are experienced and not in the year in which the cash is actually received or paid.

1c) Fixed Assets

i) Intangible Assets

An intangible item meets the definition of an asset when access to the future economic benefits that it represents is controlled by the reporting entity, either through custody or legal protection. Purchased intangible assets are capitalised as assets at cost. Internally developed intangible assets have only been capitalised where there is a readily ascertainable market value.

FRS 10 permits revaluation only of intangible assets that have a readily ascertainable market value. Intangible assets are amortised on a systematic basis over their economic lives. If access to the economic benefits associated with an intangible asset has been achieved through legal rights that have been granted for a finite period, the economic life does not extend beyond that period unless the legal rights are renewable and renewal is assured. The useful economic lives of intangible assets are reviewed at the end of each reporting period and revised where necessary. In amortising an intangible asset, a residual value has been assigned to the asset only where such residual value can be reliably measured. A straight-line amortisation method has been used as it is deemed to be the most appropriate in the circumstances for this Council.

With any gain or loss on disposal of intangible assets, the disposal proceeds are credited to the District Fund Income and Expenditure Account and the net book value credited to fixed assets and debited to the District Fund Income and Expenditure Account. In order to comply with statutory/proper practices restrictions on the use of capital receipts, if the asset disposed of was carried at historical cost, it is necessary to reverse out the gain or loss credited or debited to the District Fund Income and Expenditure Account. The Statement of Movement on the District Fund - Income and Expenditure Account should then be debited or credited with an amount equal to the gain or loss on disposal of the fixed asset, as follows:

- credit the Capital Receipts Reserve of an amount equal to the disposal proceeds
- debit the Capital Adjustment Account of an amount equal to the carrying amount of the fixed asset disposal.

The gain or loss on disposal of the intangible asset is a reconciling item in the Statement of Movement on the District Fund - Income and Expenditure Account Balance. If, in exceptional circumstances the intangible asset disposed of was carried at current value, in addition to the entries mentioned above the balance on the Revaluation Reserve in respect of the asset disposal should be written off to the Capital Adjustment Account.

ii) Tangible Assets

All expenditure on the acquisition, creation or enhancement of tangible fixed assets is capitalised on an accruals basis in accordance with Financial Reporting Standard 15 Tangible Fixed Assets (FRS 15). The Council applies a de-minimis level of £3,000 to all fixed assets (on an individual asset basis), meaning only assets over £3,000 are capitalised. Expenditure on the acquisition of a tangible asset, or expenditure which adds to, and not merely maintains, the value of an existing asset, is capitalised and classified as a tangible fixed asset, provided that it yields benefits to the Council and the services it provides are for a period of more than one year. Assets acquired on terms meeting the definition of a finance lease are capitalised and included together with a liability to pay future rentals. If a fixed asset is acquired for other than a cash consideration or if payment is deferred, the asset is recognised and included in the Balance Sheet at fair value.

All fixed assets are initially capitalised at cost, but only those costs that are directly attributable to bringing the asset into working condition for its intended use. Fixed assets are included in the Balance Sheet as follows:

- Operational land and properties and other operational assets are included at the lower of net current replacement cost or net realisable value in existing use
- Infrastructure assets and community assets are included in the Balance Sheet at historical cost, net of depreciation, where appropriate, and if the information on cost is available
- Investment properties and assets that are surplus to requirements and held for disposal are included at the lower of net current replacement cost or net realisable value. In the case of investment properties, net realisable value will normally be market value

- Other non-operational assets, such as assets under construction, are included at historical cost

If an asset is included at current value, it will formally be revalued, by either a qualified external or internal valuer, at intervals of not more than five years. The revised amount will then be included in the Balance Sheet.

If a fixed asset is included in the Balance Sheet at current value, the increase over the previous carrying amount at which that asset was included in the Balance Sheet, immediately prior to the latest (re-)valuation, will be credited to the Statement of Total Recognised Gains and Losses and taken to the Revaluation Reserve, except to the extent it reverses revaluation losses (after adjusting for depreciation) on the same assets that were previously recognised in the District Fund - Income and Expenditure Account, in which case it should be recognised in the District Fund - Income and Expenditure Account. If, on revaluation, there has been a decrease over the previous carrying amount an impairment loss has occurred. If the loss has been occasioned by clear consumption of economic benefits, any such loss will be recognised in the District Fund - Income and Expenditure Account. The amount of the decrease in value not associated with a clear consumption of economic benefit will be recognised in the Statement of Total Recognised Gains and Losses until the asset's carrying amount reaches its depreciated historical cost and taken to the Revaluation Reserve and thereafter in the District Fund - Income and Expenditure Account

If a fixed asset is acquired under a finance lease, at the inception of the lease the amount to be recorded both as an asset and as a liability will be the present value of the minimum lease payments derived by discounting them at the interest rate implicit in the lease (minimum lease payments and the interest rate implicit in the lease are defined in paragraphs 20 and 24 of SSAP 21).

A review for impairment of a fixed asset whether carried at historical cost or valuation should be carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If no such events or changes in circumstances are identified, and there are no other indications that a tangible fixed asset has become impaired, there is no requirement for an impairment review. Impairment will therefore be a relatively infrequent addition to depreciation. Tangible fixed assets other than non-depreciable land should be reviewed at the end of each reporting period for impairment when either:

- no depreciation charge is made on the grounds that it would be immaterial (either because of the length of the estimated remaining useful life or because the estimated residual value of the fixed asset is not materially different from the carrying amount of the asset), or
- the estimated remaining useful life of the fixed asset exceeds 50 years.

If an impairment loss on a tangible fixed asset carried at historical cost caused by a clear consumption of economic benefit occurs, it will be written down for the impairment and the impairment loss should be recognised in the District Fund - Income and Expenditure Account.

With any gain or loss on disposal of tangible assets, the disposal proceeds are credited to the District Fund - Income and Expenditure Account and the net book value credited to fixed assets and debited to the District Fund - Income and Expenditure Account. In order to comply with statutory/proper practices restrictions on the use of capital receipts, if the asset disposed of was carried at historical cost, it is necessary to reverse out the gain or loss credited or debited to the District Fund - Income and Expenditure Account with an amount equal to the gain or loss on disposal of the tangible fixed asset, as follows:

- credit the Capital Receipts Reserve with an amount equal to the disposal proceeds
- debit the Capital Adjustment Account with an amount equal to the carrying amount of the fixed asset disposal.

The gain or loss on disposal of the tangible asset should be a reconciling item in the Statement of Movement on the General Fund Balance. If, in exceptional circumstances the tangible asset disposed of was carried at current value, in addition to the entries mentioned above the balance on the Revaluation Reserve in respect of the asset disposal should be written off to the Capital Adjustment Account.

In accordance with FRS 15, depreciation has been provided for on all tangible fixed assets with a finite useful life, which can be determined at the time of acquisition or revaluation. Assets under construction are not depreciated until completed but they may nevertheless suffer impairment. Surplus assets held for sale are depreciated under FRS 15. Provision for depreciation has been calculated using the straight line method by allocating the cost (or revalued amount) less estimated residual value of the assets evenly to the periods expected to benefit from their use.

The useful lives of assets are estimated on a realistic basis, reviewed regularly and, if necessary revised. If the useful life of a fixed asset is revised, the carrying amount of the fixed asset will be depreciated over the revised remaining useful life. Freehold land (both operational and non-operational) is not depreciated. Depreciation is based on the amount at which the asset is included in the Balance Sheet, whether at net current replacement cost or historical cost.

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

- buildings, installations, and fittings are depreciated on their historic value over the estimated remaining life of the asset as advised by the valuer. Depending on the type of building, installation or fitting the maximum useful life will be in the range of 15 to 50 years
- plant, vehicles and equipment (including I.T. equipment) are depreciated on historic cost using a standard life of 7 years.
- intangible assets are amortised over the estimated lives of the assets
- a full year's depreciation is charged in the year of acquisition and none in the year of disposal.

District Fund - Income and Expenditure Account service revenue accounts, as defined in CIPFA's *Best Value Accounting Code of Practice*, central support services and trading accounts are charged with depreciation and where required, any related impairment loss (due to a clear consumption of economic benefits), for all fixed assets used in the provision of the service. This includes surplus assets held for disposal.

In respect of all gains and losses resulting from revaluations, the Statement of Total Recognised Gains and Losses and therefore Revaluation Reserve should be:

- credited with revaluation gains, except to the extent that they reverse previous revaluation losses (after allowing for depreciation) on the same asset that were charged to the District Fund - Income and Expenditure Account
- debited with revaluation losses not associated with an impairment related to a clear consumption of economic benefit up to the balance on the Revaluation Reserve in respect of that asset

The District Fund - Income and Expenditure Account should be:

- credited with any revaluation gains that reverse revaluation losses (after allowing for depreciation) on the same asset that were charged to services
- debited with revaluation losses associated with an impairment related to a clear consumption of economic benefit
- debited with revaluation losses not associated with a clear consumption of economic benefit in excess of the balance on the Revaluation Reserve in respect of that asset (i.e. in excess of the amount allowed to be debited to the Statement of Total Recognised Gains and Losses).

Assets held under finance leases are capitalised at the fair value of the asset with an equivalent liability categorised under deferred liabilities in the Balance Sheet. The asset is depreciated on its current fair value over the shorter of the lease term and its useful economic life. Rentals under operating leases are charged to the District Fund - Income and Expenditure Account in the year in which they arise.

Any grant contribution towards the purchase of a fixed asset is taken to the deferred grants account in the Balance Sheet. The balance is then written-off to the District Fund - Income and Expenditure Account over the useful life of the asset.

1d) Debtors and Creditors

The accounts of the Council are maintained on an accruals basis in accordance with the SORP and Financial Reporting Standard 18 Accounting Policies (FRS18). This ensures that provision has been made for known outstanding debtors and creditors at the year-end, estimated amounts being used where actual figures are not available.

A general provision for doubtful debts is included in the financial statements. This is in addition to the specific provision for those debts that are identifiable as potentially not fully collectable. Provisions in respect of bad debts have been estimated in accordance with recommended

Uncollectable debts are only written-off to the District Fund - Income and Expenditure Account after all recovery avenues open to the Council have been exhausted and the Council has formally approved the write-off.

1e) Stocks

Stocks are valued on the basis of the latest invoiced price. This is not materially different from valuation on a First In First Out (FIFO) basis as recommended by Statement of Standard Accounting Practice 9 Stocks and Long-Term Contracts (SSAP 9).

1f) 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.

1g) Provisions

Provisions for liabilities have been established in accordance with Financial Reporting Standard 12 Provisions, Contingent Liabilities and Assets (FRS 12). These are sums set aside for liabilities which will probably occur.

1h) Overheads

Charges or apportionments covering all support service costs are made to all their users. A consistent basis is used to apportion these costs and the Council does not have any unapportionable overheads. The costs of the Corporate and Democratic Core are not apportioned to other expenditure headings.

1i) Pensions

The Council charges the District Fund - Income and Expenditure Account with an amount equal to the retirement benefits payments which it made for that financial year in accordance with discretionary compensation regulations.

Councils in Northern Ireland contribute to the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) scheme. It is a multi-employer defined benefit scheme, which is treated as a defined contribution scheme under Financial Reporting Standard 17 Retirement Benefits (FRS17). This scheme provides the relevant information within its own accounts. The Council provides further information on discretionary benefits awarded to employees. The Council's contribution rate is determined by NILGOSC's actuary every three years and is set to maintain the solvency of the fund.

1j) Post Balance Sheet Events

The Council complies with the requirements of Financial Reporting Standard 21 Events After the Balance Sheet Date (FRS21). Changes are made to the financial statements where a material post balance sheet event occurs that either provides additional evidence relating to conditions existing at the balance sheet date or indicates that the application of the going concern concept to a material part of the Council is not appropriate.

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.

1k) Foreign Currency Translation

Income received and payments made in foreign currency are translated at the rate prevailing when lodged to the bank or when payment is made. Whilst this is contrary to the Statement of Recommended Practice, due to the sums involved, the effect of the different treatment would be immaterial.

1l) Financial Instruments

The accounting treatment of a financial instrument (i.e. how its subsequent carrying value is measured and gains and losses recognised) depends on its classification on initial recognition.

Most financial instruments held by Local Authorities 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 in the balance sheet under amortised cost using the effective interest rate method. Financing costs and the gain or loss on de-recognition are both taken to the District Fund - Income and Expenditure Account.

The accounting treatment of Financial Assets is summarised as follows:

- i) loans and receivables e.g. non-equity and non-derivative financial assets are recognised in the Balance Sheet under amortised cost using the effective interest rate method. Interest receivable, impairment losses and the gain or loss on de-recognition are taken to the District Fund - Income and Expenditure Account.
- ii) available-for-sale assets e.g. equity investments are carried at fair value on the Balance Sheet. Interest receivable and dividend income, impairments and the gain or loss on de-recognition are taken to the District Fund - Income and Expenditure Account. Gains and losses arising from changes in fair value (except impairment) are taken to the Statement of Total Recognised Gains and Losses. The effective interest rate method is used to determine interest income.

In these disclosure notes, financial instruments are required to be shown at fair value. Fair value is defined as the amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy/sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price.

Where instruments are actively traded rather than held for the long term or are in a portfolio of instruments, some of which are actively traded, it is necessary to consider whether they should be classified as at fair value through profit or loss. Local Authorities often do not hold financial assets or liabilities that FRS 26 would require to be classified at fair value through profit or loss. This matter is covered in Annex 2 of the 2009 SORP.

Further information on the recognition, initial measurement and accounting treatment in respect of Financial Instruments is contained in Chapter Four of the 2009 SORP.

1m) Landfill Allowances

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 tradeable 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.

2 Significance of the Statement of Movement on the District Fund - Income and Expenditure Account Balance

The movement on the District Fund - Income and Expenditure Account balance adjusts the surplus or deficit generated by the Council in accordance with Generally Accepted Accounting Principles (GAAP). The closing balance is available to fund Council services.

3 Analysis of the Movement on the District Fund Balance

| | Notes | 2009/10 £ | 2009/10 £ | 2008/09 £ | 2008/09 £ |
|---|----------|--------------|------------------|--------------|------------------|
| Surplus (Deficit) for the year on the District Fund - Income and Expenditure Account | | | 339,240 | | (718,356) |
| Net additional amount required by statute and non-statutory proper practices to be debited or credited to the District Fund Balance for the year: | | | | | |
| Transfer to Capital Adjustment Account: | | | | | |
| Direct revenue financing of Capital Expenditure | 11,25 | | (2,800,000) | | (458,165) |
| Deferred grants amortised in the year | 21,23,25 | | (447,676) | | (471,989) |
| Landfill Closure Costs | | | 302,008 | | 359,448 |
| Impairments | 10 | 0 | | 0 | |
| Depreciation charged in the year | 10,23 | 2,934,865 | | 2,553,597 | |
| Loan Debt repaid | 14a | 23,293 | | 22,026 | |
| Loans/Lease principal repayments during the year | | (645,313) | | (557,388) | |
| | 25 | | 2,312,845 | | 2,018,235 |
| Transfers (to)/from earmarked reserves: | | | | | |
| Capital Fund | 25 | | 0 | | 0 |
| Renewal and Repairs Fund | 25 | | (253,490) | | (208,029) |
| Pension Reserve | 25 | | (19,075) | | (18,876) |
| Rates Claw-Back Reserve | 25 | | 0 | | 0 |
| Other Funds | 25 | | 0 | | 0 |
| (Gain)/loss on disposal of fixed assets | 23,25 | | 1,211 | | (207,023) |
| Difference in finance costs | | | 0 | | 0 |
| Difference in pension costs | | | 0 | | 0 |
| Net adjustments to Income & Expenditure Account | | | (904,178) | | 1,013,601 |
| Movement on the District Fund Balance for the year | 25 | | (564,938) | | 295,245 |
| District Fund Balance Brought Forward | 25 | | 2,179,783 | | 1,884,538 |
| District Fund Balance Carried Forward | 25 | | 1,614,845 | | 2,179,783 |

4 Operating Expenses

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 £42,102 in 2009/10 (£41,957 in 2008/09). The actual expenditure during 2009/10 amounted to £NIL (£NIL in 2008/09)

4b External Audit Fees

| | 2009/10 | 2008/09 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| External Audit Fees | 24,197 | 25,300 |
| Grant Claim Certification Fees | 2,687 | 500 |
| Other Fees | 2,356 | 3,193 |
| | 29,240 | 28,993 |

There were no other fees payable in respect of any other services provided by the appointed auditor over and above those described above (2008/09 £NIL).

4c Leases

Expenditure during the year on operating lease rentals was £139,169 (2008/09 £141,904) and outstanding operating lease rentals at 31 March 2010 are as follows:

| | 2009/10 | 2008/09 |
|---------|----------------|----------------|
| | £ | £ |
| 2009/10 | | 100,214 |
| 2010/11 | 79,787 | 42,504 |
| 2011/12 | 43,066 | - |
| 2012/13 | - | - |
| 2013/14 | - | - |
| | 122,853 | 142,718 |

5 Employee Costs and Members' Allowances

5a Staff Costs

| | 2009/10 | 2008/09 |
|------------------------------|------------------|------------------|
| | £ | (restated) £ |
| Salaries and wages | 6,661,853 | 6,536,781 |
| Employers National Insurance | 426,933 | 467,435 |
| Employers pension costs | 867,662 | 814,931 |
| | 7,956,448 | 7,819,147 |

The above costs relate to mainstream Council employees only and do not include staff costs re North East Building Control, Northern Environmental Health Group, North East Partnership and The North East Rural Development Programme; the costs for these employees are highlighted in the accompanying notes.

In addition, agency costs during the year amounted to £1,039,980 (2008/09 £1,024,692).

The Council's current contribution rate to the NILGOSC scheme is 17%. At the last actuarial valuation, dated 31 March 2007, the Fund's assets as a whole were sufficient to meet 89% (2004: 85%) of the liabilities accrued up to that date.

5b Average Number of Employees - where FTE represents fulltime equivalent employees

| | 2009/10 | 2008/09 |
|----------------------------|-----------------------|-----------------------|
| | | (restated) |
| | FTE | FTE |
| Environmental services | 85 | 98 |
| Leisure services | 92 | 83 |
| Other | 79 | 80 |
| | 256 | 261 |
| | | |
| | Actual Numbers | Actual Numbers |
| | | (restated) |
| Full-time numbers employed | 225 | 232 |
| Part-time numbers employed | 53 | 51 |
| | 278 | 283 |

5c Senior Employees' Remuneration

| | 2009/10 | 2008/09 |
|--------------------|----------|----------|
| | £ | £ |
| £50,001 to £60,000 | 1 | 0 |
| £60,001 to £70,000 | 2 | 2 |
| £70,001 to £80,000 | 2 | 3 |
| £80,001 to £90,000 | 1 | 0 |
| | 6 | 5 |

5d Members' Allowances

During the year Members' allowances (section 36), including Employer's costs, totalled £334,420 (2008/09 £319,173) and are as follows:

| | 2009/10 | 2008/09 |
|--------------------------------------|----------------|----------------|
| | £ | £ |
| Basic allowance | 233,712 | 228,000 |
| Mayor's & Deputy Mayor's Allowance * | 3,355 | 3,319 |
| Dependents' carers allowance | 0 | 0 |
| Employer costs | 18,679 | 19,985 |
| Mileage | 18,830 | 18,092 |
| Conferences and Courses | 18,828 | 12,123 |
| Travel Costs | 8,839 | 8,097 |
| Subsistence | 817 | 597 |
| Special responsibility allowances | 31,360 | 28,960 |
| Miscellaneous | 0 | 0 |
| Travel | 0 | 0 |
| | | |
| | 334,420 | 319,173 |

* The mayor and deputy mayor's allowance is paid through special responsibility allowance. The expense here relates to expenses of the office of mayor and deputy mayor and is fully receipted.

Additionally, £16,813 in allowances and expenses was paid to members who participated in the Transition committee. These costs were fully reimbursed from funding provided by the Department of the Environment.

5e Employee Costs of North Eastern Building Control Group

| | 2009/10 | 2008/09 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Salaries and wages | 194,144 | 186,268 |
| Employers National Insurance | 15,124 | 15,015 |
| Employers pension costs | 26,073 | 24,206 |
| | 235,342 | 225,489 |

5f Senior Employees' Remuneration of North Eastern Building Control Group

| | 2009/10 | 2008/09 |
|--------------------|----------|----------|
| | £ | £ |
| £50,001 to £60,000 | 1 | 0 |
| £60,001 to £70,000 | 0 | 1 |
| £70,001 to £80,000 | 0 | 0 |
| £80,001 to £90,000 | 0 | 0 |
| | 1 | 1 |

5g Employee Costs of Northern Environmental Health Group

| | 2009/10 | 2008/09 |
|------------------------------|------------------|------------------|
| | £ | £ |
| Salaries and wages | 953,364 | 1,051,387 |
| Employers National Insurance | 71,458 | 76,567 |
| Employers pension costs | 115,870 | 135,511 |
| | 1,140,693 | 1,263,465 |

5h Senior Employees' Remuneration of Northern Environmental Health Group

| | 2009/10 | 2008/09 |
|--------------------|----------|----------|
| | £ | £ |
| £50,001 to £60,000 | 0 | 2 |
| £60,001 to £70,000 | 1 | 0 |
| £70,001 to £80,000 | 0 | 0 |
| £80,001 to £90,000 | 0 | 0 |
| | 1 | 2 |

5i Employee Costs of North East Partnership

| | 2009/10 | 2008/09 |
|------------------------------|---------------|---------------|
| | £ | £ |
| Salaries and wages | 33,950 | 33,300 |
| Employers National Insurance | 2,021 | 2,390 |
| Employers pension costs | 4,445 | 4,143 |
| | 40,416 | 39,833 |

5j Employee Costs of The North East Rural Development Programme

| | 2009/10 | 2008/09 |
|------------------------------|---------------|----------|
| | £ | £ |
| Salaries and wages | 83,391 | 0 |
| Employers National Insurance | 4,964 | 0 |
| Employers pension costs | 10,920 | 0 |
| | 99,275 | 0 |

Neither North East Partnership or The North East Rural Development Programme has any employee earning more than £50,000.

6 Interest Payable and Receivable

6a Interest Payable and Similar Charges

| | 2009/10 | 2008/09 |
|---------------------------------|------------------|------------------|
| | £ | £ |
| Lease/hire purchase interest | 1,342,931 | 1,180,449 |
| Bank interest | 0 | 0 |
| S T Loan Interest | 119,955 | 481,578 |
| Other interest (please specify) | 0 | 0 |
| | 1,462,886 | 1,662,027 |

6b Interest and Investment Income

| | 2009/10 | 2008/09 |
|-------------------|---------------|---------------|
| | £ | £ |
| Bank interest | 4,587 | 29,515 |
| Investment income | 65,320 | 68,157 |
| | 69,907 | 97,672 |

7 Related Party Transactions

Financial Reporting Standard 8 Related Party Disclosures (FRS 8) requires the Council to disclose all material related party transactions arising during the year. Related parties are bodies or individuals that have the potential to control or influence the Council or be controlled or influenced by the Council. Disclosing these types of transactions in financial statements permits readers to assess the extent to which the Council might have constrained its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council. Transactions with related parties not disclosed elsewhere in these financial statements are set out below.

The related party transactions identified in the year ended 31 March 2010 are as follows:-

Council paid amounts over £3,000 to the following bodies. Councillors were voted on to the Management Committees. Their representation was non-beneficial and was part of the conditions of awarding monies and was aimed at safeguarding the Council's interest.

| | 2009/10 | 2008/09 |
|--|------------------|------------------|
| | £ | £ |
| Association of Local Authorities | 16,363 | 16,504 |
| Ballymena Citizen's Advice Bureau* | 61,163 | 70,128 |
| Causeway Coast and Glens | 28,336 | 28,619 |
| Lower Bann Partnership | 3,500 | 5,000 |
| North Eastern Education & Library Board - Rental of Premises | 9,400 | 5,300 |
| Ballee Community Association | 3,375 | 4,314 |
| Arc 21 | 1,947,573 | 1,429,533 |
| | 2,069,710 | 1,559,398 |

* This body uses Council owned property free of charge

Group Committees

Council is part of the North Eastern Building Control Group and the Northern Environmental Health Group. Payments were made as follows: -

| | 2009/10 | 2008/09 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| N E Building Control Group | 74,863 | 76,527 |
| Northern Environmental Health Group | 88,852 | 95,387 |
| | 163,715 | 171,914 |

In addition Council received a management fee of £12,000 from Northern Eastern Building Control group and £65,700. from Northern Environmental Health Group.

Group Committees - continued

At the year end the Council was owed by/(owed to) the following monies:-

| | 2009/10 | 2008/09 |
|-------------------------------------|---------------|-----------------|
| | £ | £ |
| N E Building Control Group | 2,816 | 2,387 |
| Northern Environmental Health Group | 8,802 | (44,454) |
| | 11,618 | (42,067) |

Council provided an administrative and accounting function to the Ballymena Local Strategic Partnership under a service Level Agreement until this partnership wound up in 2008/09.

| | 2009/10 | 2008/09 |
|---------------------------------------|---------|---------|
| | £ | £ |
| Ballymena Local Strategic Partnership | 0 | 11,106 |

Council Car scheme

3 Council Directors/Acting Directors avail of the Council Car lease scheme and make a contribution towards lease costs.

Voluntary Transition Committees

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

| | £ |
|-----------------------------|----------------|
| Income | |
| Funding provided by the DOE | 145,572 |
| Other Income | - |
| Total Income | 145,572 |
| Expenditure | |
| Allowance to members | 40,500 |
| Other member expenses | 8,776 |
| Change Management Officer | 4,298 |
| ICT Costs | 64,500 |
| Other | 27,498 |
| Total Expenditure | 145,572 |

During 2009/10 the Council had expenditure of £6,493 to other Councils, of which £6,186 (see note 16) was outstanding at 31 March 2010, and £151,722 received from other Councils, of which £15,014 (see note 14) was outstanding at 31 March 2010. These amounts mainly related to services provided.

8. District Rates

| | 2009/10 | 2008/09 |
|---------------------------------|-------------------|-------------------|
| | £ | £ |
| Current year | 17,146,550 | 16,217,144 |
| Finalisation - preceeding year | 0 | 280 |
| Transitional Relief | 0 | 0 |
| Finalisation - other years | 0 | 0 |
| Clawback charged to I&E in-year | 0 | 0 |
| | 17,146,550 | 16,217,424 |

9 Group Committees

Ballymena Borough Council is the employer Council for Northern Group Public Health Committee and North Eastern Group Building Control Committee. Costs are as follows:-

9(1)a Environmental Health Costs

The Northern Group Health Committee is made up of ten Councils. Group Income and Expenditure for the year 2009/10 were as follows: -

| | 2009/10 | 2008/09 |
|--------------------------------|----------------|-----------------|
| | £ | £ |
| Income | 2,237,800 | 2,252,120 |
| Expenditure | 2,242,950 | 2,291,737 |
| Surplus/(Deficit) for the year | (5,150) | (39,617) |
| Surplus brought forward | 298,720 | 338,337 |
| Surplus carried forward | 293,570 | 298,720 |

The Council made contributions of £88,852 to the Group during the 2009/10 year (£95,387 during the 2008/09 year)

9(1)b Building Regulation Costs

The North Eastern Group Building Control Committee is made up of six Councils. Group Income and Expenditure for the year 2009/10 were as follows:-

| | 2009/10 | 2008/09 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Income | 364,907 | 393,536 |
| Expenditure | 354,167 | 348,233 |
| Surplus/(Deficit) for the year | 10,740 | 45,303 |
| Surplus brought forward | 126,837 | 81,534 |
| Surplus carried forward | 137,577 | 126,837 |

The Council made contributions of £74,863 to the Group during the year 2009/10 year (£76,527 during the 2008/09 year)

9(2) Partnerships

Ballymena Borough Council provides a range of administrative support services to the North East Partnership under a Service Level Agreement. The Partnership facilitates sustainable development of the North East sub-region of N Ireland.

Unaudited Partnership income and expenditure for the year 2009/10 were as follows:-

| | 2009/10 | 2008/09 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Income | 84,493 | 85,930 |
| Expenditure | 68,334 | 94,331 |
| Surplus/(Deficit) for the year | 16,159 | (8,401) |
| Surplus brought forward | 5,486 | 13,887 |
| Surplus carried forward | 21,645 | 5,486 |

The Council made contributions of £2,500 to the Group during the year 2009/10 year (£5,000 during the 2008/09 year)

9(3) Joint Committees

Ballymena Borough Council provides a range of administrative support services to the North East Region Rural Development Programme under a Service Level Agreement. The Joint Committee will implement the Local Development Strategy in accordance with Axes 3 and 4 of the Northern Ireland Rural Development Programme 2007 - 2013.

Unaudited Joint Committee income and expenditure for the 28 month period ended 31st March 2010 is as follows:-

| | 2009/10 | 2008/09 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Income | 360,693 | 0 |
| Expenditure | 364,713 | 0 |
| Surplus/(Deficit) for the year | (4,020) | 0 |
| Surplus brought forward | 0 | 0 |
| Surplus carried forward | (4,020) | 0 |

10 Tangible Fixed Assets

| | Operational Assets | | | | | Non-Operational Assets | | | TOTAL |
|--------------------------|--------------------|-------------------|-----------------------|------------------|----------------------|------------------------|---------------------------|----------------|-------------------|
| | Land | Buildings | Infrastructure Assets | Community Assets | Vehicles & Equipment | Investment Properties | Assets Under Construction | Surplus Assets | |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Cost or Valuation | | | | | | | | | |
| At 1 April 2009 | 13,474,120 | 66,508,417 | 0 | 108,156 | 4,746,492 | 170,000 | 2,543,623 | 0 | 87,550,808 |
| Transfer to Revenue | 0 | 0 | 0 | 0 | 0 | 0 | (4,542) | 0 | (4,542) |
| Revaluation | 201,885 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 201,885 |
| Impairments | (24,450) | (191,916) | 0 | 0 | 0 | 0 | 0 | 0 | (216,366) |
| Additions (Note 11) | 0 | 204,599 | 0 | 0 | 266,689 | 0 | 1,297,841 | 0 | 1,769,129 |
| Transfers | 0 | 796,535 | 0 | 0 | 0 | 0 | (796,535) | 0 | 0 |
| Disposals (Note 25) | (224,085) | 0 | 0 | 0 | (24,094) | 0 | 0 | 0 | (248,179) |
| At 31 March 2010 | 13,427,470 | 67,317,635 | 0 | 108,156 | 4,989,087 | 170,000 | 3,040,387 | 0 | 89,052,735 |
| Depreciation | | | | | | | | | |
| At 1 April 2009 | 0 | 6,411,609 | 0 | 0 | 3,176,401 | 0 | 0 | 0 | 9,588,010 |
| Transfer to Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairments | 0 | (25,755) | 0 | 0 | 0 | 0 | 0 | 0 | (25,755) |
| Disposals (Note 25) | 0 | 0 | 0 | 0 | (14,456) | 0 | 0 | 0 | (14,456) |
| Provided for year | 0 | 2,488,464 | 0 | 0 | 446,401 | 0 | 0 | 0 | 2,934,865 |
| At 31 March 2010 | 0 | 8,874,318 | 0 | 0 | 3,608,346 | 0 | 0 | 0 | 12,482,664 |
| Net Book Value | | | | | | | | | |
| At 31 March 2010 | 13,427,470 | 58,443,317 | 0 | 108,156 | 1,380,741 | 170,000 | 3,040,387 | 0 | 76,570,071 |
| At 31 March 2009 | 13,474,120 | 60,096,808 | 0 | 108,156 | 1,570,091 | 170,000 | 2,543,623 | 0 | 77,962,798 |

The last valuation of freehold and leasehold properties was carried out as at 01 April 2006 by an independent valuer from the Valuation and Lands Agency (VLA). An interim valuation was performed on the Braid Museum, Arts and Civic Centre at 31 March 2009. The next valuation is scheduled as 01 April 2011. The Council is not aware of any material changes to value of freehold and leasehold properties. Please refer to note 1(c) for further information on revaluation and depreciation policies.

11. Capital Expenditure

| | Note | 2009/10 | 2008/09 |
|--|-------------|--------------------|--------------------|
| | | £ | £ |
| Expenditure | | | |
| Capital expenditure | 10 | 1,769,129 | 2,641,299 |
| | | | |
| Financed By | | | |
| Borrowings: | | | |
| Loans | | 2,092,422 | 5,345,721 |
| S T Loans (repaid) / raised | | (3,000,000) | (6,000,000) |
| Grants receivable | 21 | 565,431 | 679,863 |
| Capital receipts | 25 | 232,512 | 1,173,924 |
| Transfer from ST Loan Repayment | 25 | 500,000 | 646,167 |
| Transfer from Capital Fund | 25 | - | 500,000 |
| Transfer from Repairs and Renewals | 25 | - | - |
| Revenue contributions to capital | 3,25 | 2,800,000 | 458,165 |
| Adjustment relating to opening balance 2003 when note first collated | | - | 682,858 |
| Adjustment re NIHE debt | | 815,057 | - |
| | | 4,005,422 | 3,486,698 |
| | | | |
| Surplus/(Deficit) | | 2,236,293 | 845,399 |
| Balance brought forward | | (4,363,164) | (5,208,563) |
| Balance carried forward | | (2,126,871) | (4,363,164) |

The Financing of Capital expenditure has been completed on an accruals basis. The Council plans to finance this deficit by further sale of Fixed Assets, drawing down GLF loans and Revenue Funding in addition it is also anticipated there could be further release of monies from the short term loan repayment reserve.

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 | 1,705,552 | 1,181,035 | 524,517 |
| Other Commitments | 550,000 | 310,000 | 240,000 |
| | | | |
| Total | 2,255,552 | 1,491,035 | 764,517 |

13 Stock

| | 2009/10 | 2008/09 |
|-----------------|----------------|----------------|
| | £ | £ |
| Garage | 30,138 | 38,130 |
| Bins | 99,553 | 75,367 |
| Fuel | 5,184 | 5,366 |
| Trading outlets | 30,540 | 28,786 |
| Stationery | 24,610 | 25,340 |
| Other | 2,547 | 3,204 |
| | | |
| Total | 192,572 | 176,193 |

14. Debtors

| | 2009/10 | 2008/09 |
|--|-------------------------|-------------------------|
| | £ | £ |
| | | (reanalysed) |
| 14a) Long Term Debtors: amounts falling due in more than one year | | |
| Employee car loans | 4,634 | 6,633 |
| Grants | 0 | 0 |
| Loans and advances | 0 | 0 |
| Trade debtors | 0 | 0 |
| NIHE Loans | 1,043,474 | 1,066,767 |
| Other | 0 | 0 |
| | 1,048,108 | 1,073,400 |
| less: provision for doubtful debts | 0 | 0 |
| Total Long-Term Debtors | 1,048,108 | 1,073,400 |
| 14b) Debtors: amounts falling due in less than one year | | |
| *Government Departments | 1,051,564 | 562,628 |
| Other Councils (note 7) | 15,014 | 5,404 |
| Other local authorities | 73,276 | 19,073 |
| Employee car loans | 2,000 | 2,000 |
| Grants | 0 | 0 |
| Value Added Tax | 418,786 | 350,590 |
| Prepayments | 227,320 | 368,095 |
| Trade debtors | 206,618 | 236,159 |
| Other | 362,230 | 271,102 |
| | 2,356,808 | 1,815,051 |
| less: provision for doubtful debts | (55,257) | (54,389) |
| Total Short-Term Debtors | 2,301,551 | 1,760,662 |
| Total Debtors | <u>3,349,658</u> | <u>2,834,062</u> |

15 Short-Term Investments

| | 2009/10 | 2008/09 |
|-------------------------------------|------------------|------------------|
| | £ | £ |
| Deposits for Landfill Closure | 1,814,467 | 1,777,842 |
| Call Deposit Account | 734,190 | 577,062 |
| Total Short-term Investments | 2,548,657 | 2,354,904 |

16 Creditors due within one year

| | 2009/10 | 2008/09 |
|--|------------------|------------------|
| | £ | £ |
| Amounts falling due in less than one year | | |
| Remuneration due to employees | 0 | 0 |
| Government Departments | 367,848 | 318,639 |
| Rates clawback | 0 | 0 |
| Other Councils (note 7) | 6,186 | 2,946 |
| Other local authorities | 27,182 | 80,035 |
| Receipts in advance | 0 | 0 |
| Trade creditors | 904,360 | 612,023 |
| Other | 591,671 | 984,328 |
| | 1,897,247 | 1,997,971 |
| Loans re-payable within one year | | |
| GLF | 719,699 | 645,314 |
| External loans | 2,000,000 | 5,000,000 |
| Finance Lease Principal | 0 | 0 |
| | 2,719,699 | 5,645,314 |
| Total Creditors | 4,616,946 | 7,643,285 |

Payment of Invoices

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

During the year the Council paid 11,290 invoices totalling £13.3m.

The Council has arrangements, on a sample basis, to calculate the payment interval and for the year it was 25 Days.

The Minister at the Department of Finance and Personnel has reduced the target for 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 from the invoice date until the payment date.

17 Borrowing Re-Payable within a Period in Excess of One Year

| | 2009/10 | 2008/09 |
|------------------------|-------------------|-------------------|
| | £ | £ |
| Between 1 and 2 years | 741,203 | 670,666 |
| Between 2 and 5 years | 2,277,017 | 1,972,873 |
| Between 5 and 10 years | 4,416,487 | 3,808,953 |
| In more than 10 years | 17,390,113 | 16,999,603 |
| Government Loans Fund | 24,824,819 | 23,452,095 |

Interest rates on Government Loans range between 2.2% and 9.5%.

18. Deferred Liabilities - Landfill Provision

| | 2009/10 | 2008/09 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Between 1 and 5 years | 680,155 | 611,727 |
| In more than 5 years | 1,134,311 | 1,166,117 |
| | 1,814,466 | 1,777,844 |

| | 2009/10 | 2008/09 | Note |
|-----------------------|------------------|------------------|-------------|
| | £ | £ | |
| Opening balance | 1,777,842 | 1,733,320 | |
| Expenditure | (265,383) | (314,926) | 25 |
| Increase in Provision | 302,008 | 359,448 | |
| | 1,814,466 | 1,777,842 | |

19 Financial Instruments

Ballymena Borough Council has no material exposure to any of the risk types

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, (this figure includes trade debtors for government departments and other councils which are separately classified) inclusive of VAT, can be analysed by age as follows:

| | £ |
|------------------------|----------------|
| Less than three months | 189,081 |
| Three to six months | 21,710 |
| Six months to one year | 54,977 |
| More than one year | 33,197 |
| | 298,965 |

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 has no financial assets or liabilities denominated in foreign currencies and thus 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 that differ from the prevailing market rates. The fair value of these loans is £28,923,768 analysed as follows:

| | £ |
|------------------|-------------------|
| Government Loans | 28,923,768 |
| Market Loans | - |
| Total | 28,923,768 |

20 Provisions

20a) Pension Liability

This is the Council's pension liability, which is an estimated liability in respect of discretionary payments awarded to employees granted early retirement. This pension liability is matched in the balance sheet by a reserve of the same amount but is not funded. Movements on this liability are as follows:

| | Note | 2009/10 | 2008/09 |
|--------------------------------------|-------------|----------------|----------------|
| | | £ | £ |
| Opening balance | | 251,863 | 221,235 |
| Less: payments to NILGOSC | 3,25 | (19,075) | (18,876) |
| Add: revaluation | 25 | (23,226) | 49,504 |
| Add: amounts arising during the year | | 0 | 0 |
| | | 209,561 | 251,863 |

20b) Other Provisions

| | Opening Balance | Increase in provision during year | Utilised during year | Interest earned | Closing Balance |
|-------------------|-----------------|-----------------------------------|----------------------|-----------------|------------------|
| | £ | £ | £ | £ | £ |
| Single status | 642,992 | 522,339 | 0 | 0 | 1,165,331 |
| Insurance | 130,500 | 45,000 | (29,500) | 0 | 146,000 |
| Election expenses | 0 | 0 | 0 | 0 | 0 |
| Landfill closure | 0 | 0 | 0 | 0 | 0 |
| Reorganisation | 0 | 0 | 0 | 0 | 0 |
| Claims management | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| | 773,492 | 567,339 | (29,500) | 0 | 1,311,331 |

The Single Status Agreement requires Councils to develop pay and grading structures that allow for harmonization of terms and conditions of service for employees. At 31 March 2010 the process was not complete, however a provision was made of £1,165k. The process is due to complete early Autumn 2010.

The insurance provision relates to Council's estimated self insurance liability re employers and public liability claims lodged against Council. A specific provision totalling £146,000 has been recognised with respect to insurance claims made against Ballymena Borough Council during the last three years. It would be expected that the majority of this expenditure will be incurred within the next three to five years.

21. Deferred Grants

| | Note | 2009/10 | 2008/09 |
|---|---------------|-------------------|-------------------|
| | | £ | £ |
| Opening balance | | 12,430,939 | 12,288,492 |
| Add: new grants received | 11,24d | 565,431 | 679,863 |
| Less: amounts released to the Capital Adjustment Account on disposal of asset | | | (65,427) |
| Less: amounts released to the District Fund - Income and Expenditure Account | 23,25 | (447,676) | (471,989) |
| | | 12,548,694 | 12,430,939 |

All capital grants towards the purchase of a fixed asset are taken to the Government Grants Deferred Account, and this amount is written off to the District Fund - Income and Expenditure Account over the useful life of the asset.

22 Contingencies

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 the 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.

23. Reconciliation of Surplus to Net Cash Inflow from Operating Activities

| | <i>Note</i> | 2009/10 £ | 2009/10 £ | 2008/09 £ | 2008/09 £ |
|--|-------------|--------------|------------------|--------------|------------------|
| Surplus/(Deficit) for year | 3 | | 339,240 | | (718,356) |
| <u>Non-cash transactions</u> | | | | | |
| Depreciation | 3,10 | 2,934,865 | | 2,553,597 | |
| Deferred Grants amortised in year | | (447,676) | | (471,989) | |
| Pension payment | | (19,075) | | - | |
| Assets under construction written off | | 4,542 | | - | |
| Contributions to other reserves/provisions | | 839,837 | 3,312,493 | 998,572 | 3,080,180 |
| <u>Adjustment for items reported separately on Cashflow</u> | | | | | |
| Interest and Investment Income | 6b) | | (69,907) | | (97,672) |
| Interest payable and similar charges including gains or losses on the repurchase or early resettlement of borrowings | 6a) | | 1,462,886 | | 1,662,027 |
| Gain or (loss) on disposal of fixed assets | 3,25 | | 1,211 | | (207,023) |
| <u>Items on an accruals basis</u> | | | | | |
| (Increase)/decrease in stock | | | (16,379) | | (15,023) |
| (Increase)/decrease in debtors | | | (515,597) | | 1,300,207 |
| Increase/(decrease) in creditors | | | 535,838 | | (112,285) |
| Net Cash Inflow/(Outflow) from Operating Activities | | | 5,049,785 | | 4,892,055 |

24 Other Cash Flow Disclosures

24a) Analysis of Changes in Cash and Liquid Resources During the Year

| | <i>Note</i> | 2009/10 | 2008/09 | Change in | 2008/09 |
|-----------------------|-------------|------------------|------------------|----------------|----------------|
| | | £ | £ | the year | £ |
| | | £ | £ | £ | £ |
| Temporary Investments | | 2,548,657 | 2,354,904 | 193,753 | 421,486 |
| Cash | | 5,371 | 5,121 | 250 | 112,651 |
| Bank Overdraft | | (845,655) | (930,953) | 85,298 | (39) |
| Total | | 1,708,373 | 1,429,072 | 279,301 | 534,098 |

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

24b) Analysis of Net Debt

| | Cash | Temporary Investments | Cash at Bank and in hand | Loans due within one year | Loans due after more than one year | Finance Leases | Net Debt |
|---|------------------|-----------------------|--------------------------|---------------------------|------------------------------------|----------------|---------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| At 1 April 2009 | (925,832) | 2,354,904 | 1,429,072 | (5,645,314) | (23,452,095) | - | (27,668,337) |
| Interest accrued at last year end | - | - | - | - | - | - | - |
| Change in Year | 85,548 | 193,753 | 279,301 | 2,925,615 | (1,372,724) | - | 1,832,192 |
| Other non cash changes - new finance leases | - | - | - | - | - | - | - |
| At 31 March 2010 | (840,284) | 2,548,657 | 1,708,373 | (2,719,699) | (24,824,819) | - | (25,836,145) |

24c) Reconciliation of Changes in Cash to Movements in Net Debt

| | Note | 2009/10 | 2008/09 |
|---|------|---------------------|---------------------|
| | | £ | £ |
| Increase in cash in year | | 85,548 | 112,612 |
| Cashflow fom Liquid resources | | 193,753 | 421,486 |
| Cash inflow from new loans raised | 11 | (2,092,423) | (8,345,721) |
| Cash outflow from: | | | |
| Loans repaid | | 3,645,314 | 9,557,388 |
| Finance lease repayments | | - | 9,557,388 |
| Change in net debt resulting from cash flows | | 1,832,192 | 1,745,765 |
| New finance leases | 11 | - | - |
| Loan Interest accrued | | - | - |
| Net debt b/fwd | | (27,668,337) | (29,414,103) |
| Net debt carried forward | | (25,836,145) | (27,668,337) |

24d) Analysis of Government Grants

| | 2009/10 | 2008/09 |
|-------------------------------|------------------|------------------|
| | £ | £ |
| Capital Grants | | |
| Heritage Lottery Fund | - | 444,100 |
| European Capital Grants | - | - |
| Central Government Grants | 107,247 | 138,096 |
| Other | 458,184 | 97,667 |
| (i) Sub-total | 565,431 | 679,863 |
| | | |
| Revenue Grants | | |
| Community Services | 132,928 | 132,520 |
| Environmental Health | 94,051 | 110,567 |
| Economic Development | - | - |
| Good Relations | 81,828 | 95,688 |
| Recreation Grounds | 16,709 | 37,638 |
| Sports Development | 121,871 | 72,473 |
| Tourism | - | - |
| Arts development | - | - |
| Waste Management | - | - |
| Community Safety | 142,182 | 121,417 |
| District Policing Partnership | 91,730 | 91,752 |
| General Register Officer | 47,500 | 45,025 |
| Emergency Planning | 11,700 | 164,587 |
| Other | 162,312 | 68,658 |
| | | |
| (ii) Sub-total | 902,811 | 940,325 |
| | | |
| Total Grants | 1,468,242 | 1,620,188 |

Revenue Grants are included within the 'Net Cash Inflow from Operating Activities' figure in the Cash Flow Statement.

25 Movement on Reserves

| | Note | Capital Adjustment Account | Financial Instrument Adjustment Account | Available for Sale Financial Instruments Reserve | Revaluation Reserve | Pensions Reserve | Rates | Claw-Back Reserve | Capital Receipts Reserve | Capital Fund | Renewal & Repairs Fund | Other Balances and Reserves (ST Loan Repayment Reserve) | District Fund | TOTAL |
|---|---------|----------------------------------|--|---|------------------------|---------------------|----------|----------------------|--------------------------------|-----------------|---------------------------|---|------------------|-------------------|
| | | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| | | 25a) | 25b) | 25c) | 25d) | 20, 25e) | | | 25f) | 25g) | 25h) | 25i) | 3 | |
| At 1 April 2009 | | 29,929,485 | 0 | 1,437,357 | 0 | (251,863) | | 0 | 0 | 0 | 1,777,843 | 1,000,000 | 2,179,782 | 36,072,604 |
| Movements on reserves during the year: | | | | | | | | | | | | | | |
| Capital Grants Released | 3,21,23 | 447,676 | | | | | | | | | | | (447,676) | 0 |
| Direct Revenue Financing | 3,11 | 2,800,000 | | | | | | | | 0 | 253,490 | 0 | (3,053,490) | 0 |
| Loans/lease principal/depreciation adjustment | 3 | (2,312,845) | | | | | | | | | | | 2,312,845 | 0 |
| I & E Surplus/Deficit | | | | | | | | | | | | | 339,240 | 339,240 |
| Interest Received | | | | | | | | | | 0 | 48,517 | 0 | | 48,517 |
| Payments to NILGOSC | 3,20 | | | | | 19,075 | | | | | | | (19,075) | 0 |
| Disposal of Fixed Assets/Capital Sales | 3,10,23 | (233,723) | | | | | | | 232,512 | | | | 1,211 | 0 |
| Capital Receipts used to finance capital expenditure | 11 | 232,512 | | | | | | | (232,512) | | | | 0 | 0 |
| Revaluation | 10,20 | | | 201,885 | | 23,226 | | | | | | | 0 | 225,111 |
| Movement in ST Loan Repayment Reserve | | 500,000 | | | | | | | | | | (500,000) | | 0 |
| Other Movements | | 11,274 | | (201,885) | | | | 0.00 | 0 | | | | | (190,611) |
| 2nd Year Landfill Closure Costs | | 265,383 | | | | | | | | | (265,383) | | 0 | 0 |
| Increase in provision | | (302,008) | | | | | | | | 0 | 0 | | 302,008 | 0 |
| Total movements on reserves during the year: (Change in Net Worth) | | 1,408,270 | 0 | 0 | 0 | 42,302 | 0 | 0 | 0 | 0 | 36,624 | (500,000) | (564,938) | 422,258 |
| At 31 March 2010 | | 31,337,755 | 0 | 1,437,357 | 0 | (209,561) | 0 | 0 | 0 | 0 | 1,814,467 | 500,000 | 1,614,844 | 36,494,862 |

25a) Capital Adjustment Account

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 - Income and Expenditure Account 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.

25b) Financial Instruments Adjustment Account

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

25c) Revaluation Reserve

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 the District Fund - Income and Expenditure Account) are mirrored in the Statement of Total Recognised Gains and Losses. It is a fundamental principle of this new account that it never becomes negative. If the asset disposed of was held at current value when it was disposed of, the balance held on the Revaluation Reserve is written off to the Capital Adjustment Account.

25d) Available-for-Sale Financial Instruments Adjustment Reserve

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

25e) Pension Reserve

Refer to note 20(a).

25f) 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.

25g) Capital Fund

This fund was established under section 56 of the Local Government Act (NI) 1973 and has an approved limit of £1.2m.

| | £ |
|--------------|---|
| Project A | |
| Project B | |
| General | |
| Total | |

25h) Renewal and Repairs Fund

This fund was established under section 56 of the Local Government Act (NI) 1973 and has an approved limit of £2m.

| | £ |
|--------------------------------------|------------|
| Closure of Ballymacvea Landfill Site | 1,8 |
| | |
| Total | 1,8 |

25i) At 31 March 2010 the Council had £2m of short-term loans, which are usually renewed on an annual basis. A loan repayment provision of £500k has been established on the assumption that loan debt will be cleared over a maximum of 25 year period from the date the loans were taken out. At the year end matching monies in a bank account were not in place.


Accounts Authorised for the Issue Certificate

In accordance with Financial Reporting Standard 21 (FRS 21), this Statement of Accounts which contains a number of minor amendments from the Accounts approved on 28th June 2010 are at today's date hereby authorised for issue.

FRS 21 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.

Signed


.....
Chief Financial Officer

Date

DATES FOR VARIOUS STATEMENTS AND NOTES TO THE ANNUAL ACCOUNTS

Change dates in boxes as appropriate for inclusion in the Pro-Forma Accounts, as indicated below.

MAIN FINANCIAL STATEMENTS:-

District Fund - Income and Expenditure Account for the year ended 31 March 2010
e.g District Fund - Income and Expenditure Account for the year ended 31 March 2010

Statement of Total Recognised Gains and Losses for the year ended 31 March 2010
e.g Statement of Total Recognised Gains and Losses for the year ended 31 March 2010

Statement of Movement on the District Fund Balance for the year ended 31 March 2010
e.g Statement of Movement on the District Fund Balance for the year ended 31 March 2010

CHANGE: Balance Sheet as at 31 March 2010
e.g Balance Sheet as at 31 MARCH 2010

NOTES TO THE ANNUAL ACCOUNTS:-

CHANGE: FOR THE YEAR ENDED 31 MARCH 2010
e.g FOR THE YEAR ENDED 31 MARCH 2010

CHANGE: At 1 April 2009
e.g Opening Balance at 1 April 2009

CHANGE: At 31 March 2009
e.g Comparative Balance at 31 March 2009

CHANGE: At 31 March 2010
e.g Closing Balance at 31 March 2010

CHANGE: 2009/10 CHANGE: 2008/09
e.g 2009/10 e.g 2008/09

CHANGE: 31/03/2010 CHANGE: 31/03/2009
31/03/2010 31/03/2009

CHANGE: 2010 CHANGE: 2009
e.g 2010 2009

ROUNDINGS

Choose any of the following:-

CHANGE:
 £ £'000 £m

District Fund - Income and Expenditure Account for the year ended 31 March 2009

The colour key is as follows:

- Where a cell exports data to another cell Pink
- Where a cell imports data from another cell Blue
- Where a cell contains a function or formula Yellow
- Where a cell contains both a function/formula and exports data to another cell Green
- Where the narrative section of the word document contains references that would need to be updated by each Council Grey