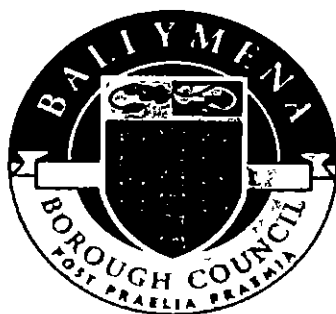


BALLYMENA BOROUGH COUNCIL



ANNUAL REPORT AND ACCOUNTS

2010/11

BALLYMENA BOROUGH COUNCIL
Financial Statements
for the year ended 31 March 2011

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Explanatory Foreword

Introduction

The Council's financial performance for the year ended 31 March 2011 is as set out in the Comprehensive Income and Expenditure Statement and its financial position is as set out in the Balance Sheet and Cash Flow Statement

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting the United Kingdom 2010/11 (the Code) and the Department of the Environment Accounts Direction, Circular LG 10/11 dated 20 April 2011. It is the purpose of this foreword to explain, in an easily understandable way the financial facts in relation to the Council. Comparative figures have been re-stated to take account of changes in accounting requirements as a result of the introduction of the Code.

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

Group Accounts

The Code requires Local Authorities to consider all their interests and to prepare a full set of group financial statements where they have material interests in subsidiaries, associates or joint ventures. Ballymena Borough Council is the employer Council for the North Eastern Building Control Group and the Northern Environmental Health Group. A summary of the transactions of the groups is shown at note 28.

Joint Committees/Partnerships

Ballymena Borough Council provides administrative support for the North East Partnership and North Eastern Rural development Programme these accounts do not reflect the transactions of these two organisations however a summary of the transactions is shown at note 28.

Voluntary Transition Committee

Ballymena Borough Council is the Lead Council for the Voluntary Transition Committee for Ballymena Carrickfergus & Larne these transactions are reflected and are shown at note 28.

The Movement in Reserves Statement

This Statement, as set out on page 16, shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the District Fund Balance for Local Tax purposes. The 'Net increase /Decrease before transfers to statutory and other reserves' line shows the statutory District Fund Balance before any discretionary transfers to or from statutory and other reserves undertaken by the Council.

The Comprehensive Income and Expenditure Statement

This statement, as set out on page 17, shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations, this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

The Balance Sheet

The Balance Sheet, as set out on page 18, shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, ie those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold, and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

The Cash Flow Statement

The Cash Flow Statement as set out on page 19, shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (ie borrowing) to the Council.

Financial Report

For the year ended 31 March 2011 the Council increased its District Fund reserve by £176k to £1,791k. The Council's budget of £19.9m was reduced by £28k for prior year finalisation payment of district rates. The total net expenditure reported in the Comprehensive Income and Expenditure Statement is £19.9m and includes allocations of £182k to the Repairs and Renewals Fund, £500k to the Capital Fund and £2.5m to fund capital expenditure.

Expenditure on capital projects during the year amounted to £2.3m, the most significant spend was on a number of refurbishment projects at Ballymena Showgrounds.

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 surplus of £175,814 for the year ended 31 March 2011. 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	19,862,082	19,943,038	(80,956)
Financed by -			
General Grant	(1,336,101)	(1,212,474)	(123,627)
District Rates	<u>(18,701,795)</u>	<u>(18,730,564)</u>	<u>28,769</u>
(Surplus) / Deficit	(175,814)	0	(175,814)

Current Borrowing Facilities

The table below sets out the Councils main external borrowing position at 31 March 2011 with a comparison against the position at 31 March 2010 -

	<u>2010/11</u>	<u>2009/10</u>
	<u>£'000</u>	<u>£'000</u>
Short Term Borrowing	741	2,719
Long Term Borrowing	<u>24,084</u>	<u>24,825</u>
Total External Borrowing	<u>24,825</u>	<u>27,544</u>

Short Term borrowing has decreased during the year due to revenue contributions to Capital

IFRS

2010/11 is the first year that financial statements have been prepared on an IFRS basis. The 2009/10 Financial Statements were prepared according to UK GAAP. The 2009/10 figures have been restated to an IFRS basis for comparative purposes. The main changes are as follows

1 Post employment benefits

The Council now has to account for NILGOSC on a defined benefit basis (previously it was accounted for as a defined contribution scheme). This has resulted in a number of changes including pension service costs being charged to service revenue codes in the comprehensive income and expenditure statement and obligations under the scheme being included as a significant liability in the Balance Sheet. There is no change to the District Fund Balance as the Accounts Direction allows the impact to be transferred out of the District Fund to the Pensions reserve.

2 Government Grants

Previously Grants were held in the Grants deferred account and recognised as income over the life of the assets which they were used to fund. Now Grants are recognised as income when they become receivable. There is no change to the District Fund Balance as Capital Grant income is transferred out of the District Fund under current accounting policies.

3 Short Term Accumulating Absences

Council is required to accrue for any annual leave earned but not taken at the 31 March and charge this to services. Under previous accounting arrangements this was not required. The accounts direction allows the impact to be transferred out of the District Fund.

4 Leases

Previously Property Leases were accounted for as a single lease. Under the code, property leases are now accounted for as separate leases of land and buildings. A change in accounting treatment may therefore result where a lease is now accounted for as an operating lease when it previously was a finance lease, or vice versa.

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 the Finance, Estates and ICT Committee on 27th June 2011

The Chief Financial Officer's Responsibilities

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

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

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

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

The Chief Financial Officer is also required to

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

Annual Governance Statement 2010/11

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 2010. 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 2011 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**

Ballymena Borough Council's Corporate Strategy 2009-2012 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. Research is currently underway to assess Quality of Life Indicators through the mechanism of a services satisfaction survey or user focus groups.

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 via a rolling departmental programme 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 Governance & 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 currently exists. 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 are reviewed on a rolling basis. 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 of 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 2011 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 a regular 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 a regular 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. A quarterly Ballymena Borough Council Newsletter is a publication to ratepayers informing them of initiatives and programmes taking place throughout the Borough. 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 -

The Audit & Scrutiny Committee meets bi-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 Audit & Scrutiny Committee scrutinises Departmental performance through a rolling programme of Business Planning scrutiny reviews.

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 a 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 2010/11 Financial Year.

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 16 June 2011, 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 16 June 2011. 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 2010/11 arising from the above review, a number of improvements to the overall governance framework were identified for action

1 Travel and Subsistence

Implement a process for checking all claimants driving licences and car registration documents

2 Financial Management at the Showgrounds

Develop clear plans for income generation linked to Showgrounds business plan objectives and review Showgrounds performance

3 Network Security

Tighten security measures around the network perimeter, including administrator access controls

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 
Town Clerk & Chief Executive

Date 29/6/11

Signed 
Chairman of Audit & Scrutiny Committee

Date 29 June 2011

Certificate of the Chief Financial Officer

I certify that

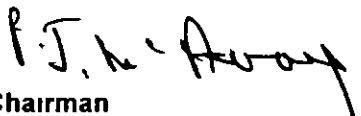
- (a) the Statement of Accounts for the year ended 31 March 2011 on pages 16 to 81 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 20 to 33
- (b) in my opinion the Statement of Accounts give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year


Chief Financial Officer

29/6/11
Date

Council Approval of Statement of Accounts

These accounts were approved by resolution of the Council/Committee on 27th June 2011


Chairman

29/6/11
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 2011 under the Local Government (Northern Ireland) Order 2005. The statement of accounts comprises the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement, and related notes. The statement of accounts has been prepared under the accounting policies set out within them.

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

Respective responsibilities of the Chief Financial Officer and the independent auditor

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

Scope of the audit of the statement of accounts

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

Opinion

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

Matters on which I report by exception

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

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

Certificate

I certify that I have completed the audit of the accounts of 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



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

31 October 2011

Ballymena Borough Council
Movement in Reserves Statement
For the current and comparative year

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

	District Fund Summary	Statutory Reserves	Other Fund Balances & Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£	£	£	£	£	£	£
At 1 April 2009	2,179,782	1,777,843	888,776	0	4,846,401	34,827,453	39,673,854
Movement in reserves during the year							
Surplus or (deficit) on the provision of services	(374,614)	0	0	0	(374,614)	0	(374,614)
Other Comprehensive Income and Expenditure		48,517	0	0	48,517	(11,204,726)	(11,156,209)
Total Comprehensive Income and Expenditure	(374,614)	48,517	0	0	(326,097)	(11,204,726)	(11,530,823)
Adjustments between accounting basis & funding basis under regulations	63,166	(265,383)	164,883	0	(37,284)	37,284	0
Net Increase/Decrease before Transfers to Statutory and Other Reserves	(311,448)	(216,866)	164,883	0	(363,431)	(11,167,442)	(11,530,873)
Transfers to/from Statutory and Other Reserves	(253,490)	253,490	0	0	0	0	0
Increase/Decrease in Year	(564,938)	36,624	164,883	0	(363,431)	(11,167,442)	(11,530,873)
At 31 March 2010	1,614,844	1,814,467	1,053,659	0	4,482,970	23,660,011	28,142,981
Movement in reserves during the year							
Surplus or (deficit) on provision of services	1,537,126	0		0	1,537,126	0	1,537,126
Other Comprehensive Income and Expenditure	0	54,787	0	0	54,787	17,819,986	17,874,773
Total Comprehensive Income and Expenditure	1,537,126	54,787	0	0	1,591,913	17,819,986	19,411,899
Adjustments between accounting basis & funding basis under regulations	(679,158)	(2,051,408)	(1,053,659)	0	(3,784,225)	3,784,225	0
Net Increase/Decrease before Transfers to Statutory and Other Reserves	857,968	(1,996,621)	(1,053,659)	0	(2,192,312)	21,604,211	19,411,899
Transfers to/from Statutory and Other Reserves	(682,154)	682,154		0	0	0	0
Increase/Decrease in Year	175,814	(1,314,467)	(1,053,659)	0	(2,192,312)	21,604,211	19,411,899
At 31 March 2011	1,790,658	500,000	0	0	2,290,658	46,264,222	47,554,880

BALLYMENA BOROUGH COUNCIL
Comprehensive Income and Expenditure Statement for the year ended 31 March 2011

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

					RESTATED	RESTATED	RESTATED
	Notes	Gross Expenditure	2010/11 Gross Income	Net Cost	Gross Expenditure	2009/10 Gross Income	Net Cost
		£	£	£	£	£	£
Services Expenditure							
Leisure and Recreational Services		14,883,418	3,854,533	11,028,885	10,098,181	2,809,081	7,287,100
Environmental Services		9,581,216	1,652,843	7,928,373	8,199,921	1,219,404	6,980,517
DRM and Corporate Management		1,759,712	175,448	1,584,264	1,809,547	220,568	1,388,979
Other Services		(3,310,853)	366,281	(3,677,134)	1,382,115	373,999	988,116
		0	0	0	0	0	0
Cost of Services on Continuing Operations	4-6	22,893,484	6,048,903	16,844,581	21,287,743	4,623,032	16,644,711
Other Operating Expenditure	7	0	13,269	(13,269)	2,948	0	2,948
Financing and Investment Income and Expenditure	8	4,150,034	2,480,586	1,669,448	3,680,886	1,594,907	2,086,979
Surplus or Deficit on Discontinued Operations		0	0	0	0	0	0
Net Operating Expenditure		27,043,528	8,542,758	18,500,770	24,951,577	6,217,939	18,733,638
Taxation and Non-Specific Grant Income	9	0	20,037,896	(20,037,896)	0	18,359,024	(18,359,024)
Surplus/(Deficit) on the Provision of Services		27,043,528	28,580,654	1,537,126	24,951,577	24,578,963	(374,614)
Surplus/(Deficit) on revaluation of non-current assets	10a/10b			7,959,888			11,274
Surplus/(Deficit) arising on revaluation of available-for-sale financial assets	25a/25b			0			0
Interest on Fund Bank Accounts				54,787			48,517
Loss on Curtailment on Pension				0			(78,000)
Actuarial gains/losses on pension assets/liabilities				9,860,000			(11,138,000)
Other Comprehensive Income and Expenditure				17,874,773			(11,166,209)
Total Comprehensive Income and Expenditure				19,411,899			(11,530,823)

BALLYMENA BOROUGH COUNCIL
Balance Sheet As At 31 March 2011

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

		2010/11	RESTATED 2009/10	RESTATED 2008/09
	Notes	£	£	£
Property Plant & Equipment (PP&E)	10a/10b	79,100,727	76,442,919	77,849,471
Land & Buildings	10a/10b	76,393,223	71,870,787	73,570,928
Infrastructure Assets	10a/10b	0	0	0
Landfill Site	10a/10b	0	0	0
Vehicles, Plant, Furniture and Equipment	10a/10b	1,961,595	1,423,589	1,626,764
Community Assets	10a/10b	108,157	108,156	108,156
PP&E under Construction	10a/10b	637,752	3,040,387	2,543,623
Surplus Assets	10a/10b	0	0	0
Investment Properties	10a/10b	175,000	170,000	170,000
Intangible Assets	10a/10b	0	0	0
Assets Held for Sale	10d	0	0	0
Long Term Investments	15a	0	0	0
Investment in Associates and Joint Ventures		0	0	0
Long Term Debtors	14a	1,021,185	1,048,108	1,073,400
LONG TERM ASSETS		80,296,912	77,661,027	79,092,871
Short Term Investments	15b/24a	2,854,638	1,814,467	1,777,842
Inventories	13	128,802	192,572	176,193
Short Term Debtors	14b	2,687,636	2,819,509	2,621,084
Cash and Cash Equivalents	24b	594,505	746,216	615,976
Assets Held for Sale	10d	0	0	0
CURRENT ASSETS		6,265,581	5,572,764	5,191,095
Bank Overdraft		1,156,439	1,170,888	1,529,270
Short Term Borrowing	16a	741,203	2,719,699	5,645,314
Short Term Creditors	17a	2,725,362	2,663,579	2,886,185
Provisions	18	2,312,084	1,494,531	829,092
Liabilities in Disposal Groups		0	0	0
CURRENT LIABILITIES		6,935,088	8,048,697	10,889,861
Long Term Creditors	17b	0	0	(98,092)
Provisions	18	1,508,588	1,631,267	1,722,242
Long Term Borrowing	16b	24,083,612	24,824,820	23,452,095
Other Long Term Liabilities	5,20	6,480,325	20,586,030	8,644,000
Donated Assets Account	21	0	0	0
Capital Grants Receipts in Advance	22	0	0	0
LONG TERM LIABILITIES		32,072,525	47,042,117	33,720,245
NET ASSETS		47,554,880	28,142,977	39,673,860
USABLE RESERVES	25a/25b	2,290,658	4,482,970	4,846,401
Capital Receipts Reserve	25a/25b	0	0	0
Capital Grants Unapplied Account	25a/25b	0	553,659	98,092
Capital Fund	25a/25b	500,000	0	0
Renewal and Repairs Fund	25a/25b	0	1,814,467	1,777,843
Other Balances and Reserves	25a/25b	0	500,000	790,684
District Fund	25a/25b	1,790,658	1,614,844	2,178,782
UNUSABLE RESERVES	25a/25b	45,264,222	23,660,011	34,827,453
Capital Adjustment Account	25a/25b	42,472,658	42,988,186	42,034,096
Financial Instruments Adjustment Account	25a/25b	0	0	0
Revaluation Reserve	25a/25b	9,397,343	1,437,357	1,437,357
Available for Sale Financial Instruments Reserve	25a/25b	0	0	0
Pensions Reserve	25a/25b	(6,480,324)	(20,586,030)	(8,844,000)
Capital Receipts Deferred Account	25a/25b	0	0	0
Accumulated Absences Account	25a/25b	(125,455)	(177,502)	0
Rates Claw-Back Reserve	25a/25b	0	0	0
NET WORTH		47,554,880	28,142,977	39,673,860

BALLYMENA BOROUGH COUNCIL
Cash Flow Statement at 31 March 2011

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

	Notes	2010/11 £	<i>RESTATED</i> 2009/10 £
Net (surplus) or deficit on the provision of services		1,537,126	(374,614)
Adjustment to surplus or deficit on the provision of services for noncash movements		4,688,267	4,806,971
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		(995,450)	(798,343)
		<hr/>	<hr/>
Net cash flows from operating activities	24a), 24c)	5,229,943	3,634,014
Net Cash flows from Investing Activities	24d)	(2,647,502)	(1,592,501)
Net Cash flows from Financing Activities	24e)	(2,719,703)	(1,552,891)
Net increase or decrease in cash and cash equivalents		(137,262)	488,622
Cash and cash equivalents at the beginning of the reporting period		(424,672)	(913,294)
Cash and cash equivalents at the end of the reporting period		<hr/> <u>(561,934)</u>	<hr/> <u>(424,672)</u>

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements

1A Accounting Policies

General Principles

The Statement of Accounts summarises the Council's transactions for the 2010/11 financial year and its position at the year-end of 31 March 2011. The Council is required to prepare an annual Statement of Accounts in a form directed by the Department of the Environment in accordance with regulations 4 (1) and (2) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2010/11 and the Best Value Accounting Code of Practice 2010/11, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The Code of Practice on Local Authority Accounting in the United Kingdom 2010/11 also requires disclosure in respect of

Summary of Significant Accounting Policies

i) Accruals of Income and Expenditure

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

ii) Acquisitions

The Council has not acquired operations (or transferred operations under machinery of government arrangements) during the financial year.

iii) Provision for Single Status, Job Evaluation and Pay and Grading Reviews

The Single Status Agreement requires Councils to develop pay and grading structures that allow for harmonisation of terms and conditions of service for employees. At 31 March 2011 the process was not complete, however a provision was made of £1,811k. The process is due to complete early Autumn 2011.

iv) Cash and Cash Equivalents

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

v) Contingent Assets

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

vi) Contingent Liabilities

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

vii) Discontinued Operations

The Council has not discontinued any operations (or transferred operations under machinery of government arrangements) during the financial year.

viii) Employee Benefits

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

Termination benefits

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

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

Post Employment Benefits

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

The Northern Ireland Local Government Officers' Pension Fund

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

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

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

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

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

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

current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.

interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

expected return on assets – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

gains or losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.

actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve.

contributions paid to the Northern Ireland Local Government Officers' pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities, not accounted for as an expense.

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

Discretionary Benefits

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

ix) Events After the Balance Sheet Date

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

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

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

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

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

x) Exceptional Items

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

xi) Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

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

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

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

xii) Financial Instruments

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

Financial Liabilities

Amortised Cost

Financial Assets

Loans and Receivables

Available for Sale

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

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

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

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

Additional policy detail required where a Council has entered into financial guarantees or has financial liabilities at fair value through profit or loss (such as derivatives)

Financial Assets

Financial assets are classified into two types

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market

- available-for-sale assets – that have a quoted market price and/or do not have fixed or determinable payments

Loans and Receivables

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

However, if the Council makes loans to voluntary organisations at less than market rates (soft loans) the following treatment will apply. When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the District Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the District Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

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

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

Available-for-Sale Assets

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

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

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

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

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

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

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

Additional policy detail required where a Council has financial assets at fair value through profit or loss (such as derivatives).

Instruments Entered Into Before 1 April 2006

The Council entered into a number of financial guarantees that are not required to be accounted for as financial instruments. These guarantees are reflected in the Statement of Accounts to the extent that provisions might be required or a contingent liability note is needed under the policies set out in the sections on Provisions, Contingent Liabilities and Contingent Assets.

xiii) Foreign Currency Translation

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

xiv) Government Grants and Contributions

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

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

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

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

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

xv) Intangible Assets

The Council holds no Intangible Assets.

xvi) Inventories & Long Term Contracts

Inventories are included in the Balance Sheet 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 International Accounting Standard 2 Inventories (IAS 2).

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

xvii) Investment Property

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

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

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

xviii) Landfill Allowance Schemes

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

xix) Leases

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

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

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

The Council as Lessee

Finance Lease

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

Lease payments are apportioned between

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

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

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

Operating Leases

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

The Council as Lessor

Finance Leases

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

Lease rentals receivable are apportioned between

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

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

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

Operating Leases

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

xx) Disposals and Non-Current Assets Held for Sale

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

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

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

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

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

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

xxi) Overheads and Support Services

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

- Corporate and Democratic Core – costs relating to the Council's status as a multi-functional, democratic organisation
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and any depreciation and impairment losses chargeable on non-operational properties

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

xxii) Property, Plant and Equipment

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

Recognition

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

Measurement

Assets are initially measured at cost, comprising

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

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

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

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

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

- infrastructure, community assets and assets under construction – depreciated historical cost

- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

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

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

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

Impairment

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

Where impairment losses are identified, they are accounted for by

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains), with any excess charged to the service line in the Comprehensive Income and Expenditure Statement

- where there is no balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement

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

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

Depreciation

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

Depreciation is calculated on the following bases

- vehicles, plant and equipment – a percentage of the value of each class of assets in the Balance Sheet, (7 years)

- infrastructure – straight-line allocation over 25 years

Council depreciation policy is to charge full depreciation in the year of acquisition and none in the year of disposal

Componentisation

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

Revaluations

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

xxiii) Provisions

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

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

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

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

xxiv) Reserves

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

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

xxv) Charges to Revenue for Non-Current Assets

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

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

The Council is not required to raise District Rates to cover depreciation, impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement equal to loans fund principal charges.

xxvi) Revenue Expenditure Funded from Capital under Statute

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

xxvii) 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.

xxviii) Change of Accounting Policy - Preparation of Consolidated Accounts

With the introduction of IFRS, Ballymena Borough Council must include the balance sheets of both the North Eastern Building Control Group, and the Northern Environmental Health Group. The reason for inclusion within the Financial Statements is due to Ballymena Borough Council being the Lead Employer Council for both Groups. This has resulted in a consolidated set of Financial Statements being produced and prior year balances being restated.

**BALLYMENA BOROUGH
COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011**

2a Segmental Reporting Analysis - Current Year

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

Included within the Surplus/Deficit on Provision of Services are amounts that relate to the net movement in Consolidation and these amounts are not reported within the Segmental Analysis below.

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

[Comparative disclosures are reported in Note 2b]

Services	2010/11		
	Gross Expenditure	Gross Income	Net Expenditure/ (Income)
	£	£	£
Culture and Heritage	3 579 521	1 741 213	1 838 308
Recreation and Sport	8 120 555	1 537 831	6 582 724
Tourism	1 426 891	132 814	1 294 077
Continually Services	1 756 452	442 875	1 313 577
Leisure and Recreational Services	14 883 419	3 854 533	11 028 886
Crematory, Cremation and Mortuary	284 912	52 838	232 074
Environmental Health	1 184 942	240 785	944 157
Flood Defence and Land Drainage	0	0	0
Public Conveniences	430 582	4 929	425 653
Licensing	27 001	28 468	(1 467)
Other Cleaning	1 052 748	64 882	987 866
Waste Collection	3 196 204	813 294	2 382 910
Waste Disposal	2 517 090	51 815	2 465 275
Building Control	797 155	395 852	401 303
Other Community Assets	427	0	427
Minor Works	70 177	0	70 177
Environmental Services	9 581 218	1 652 643	7 928 575
Democratic Representation and Management	900 050	90 364	809 686
Corporate Management	859 662	85 062	774 600
DIRM and Corporate Management	1 759 712	175 446	1 584 266
Economic Development	863 363	27 545	835 818
Trading Services	122 295	25 413	96 882
Non Distributed Costs	(4 822 309)	0	(4 822 309)
Central Services to the Public	525 798	313 323	212 475
Other Services	(3 310 853)	366 261	(3 677 134)
CONTINUING OPERATIONS	22 893 494	6 048 903	16 844 591

Reconciliation to Net Cost of Services in the Comprehensive Income and Expenditure Statement

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

	£	£
Net Cost of Services in Service Analysis		16,844,591
<i>Items excluded from Service Analysis</i>		
Add amounts not reported in Service Analysis but included in Net Cost of Services in Comprehensive Income and Expenditure Statement	0	
Remove amounts reported in Service Analysis but not included in Net Cost of Services in Comprehensive Income and Expenditure Statement	0	
		<u>0</u>
Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement		16,844,591
<i>Items Included in Net Operating Expenditure excluded from Service Analysis</i>		
Other Operating Expenditure	(13 289)	
Financing and Investment Income and Expenditure	1 669 448	
Surplus or Deficit on Discontinued Operations	0	
		<u>1 656 159</u>
Net Operating Expenditure per the Comprehensive Income and Expenditure Statement		18,500 770

BALLYMENA BOROUGH
COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

2b Segmental Reporting Analysis Comparative Year

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

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

Services	2009/10		
	Gross Expenditure	Gross Income	Net Expenditure/(Income)
	£	£	£
Culture and Heritage	2 100,523	935,956	1 164,567
Recreation and Sport	5 371 296	1 436,388	3 934,898
Tourism	1 303 007	136 163	1 166 844
Community Services	1 321 335	300 544	1,020,791
Leisure and Recreational Services	10 096 161	2,809 081	7 287 100
Cemetery Cremation and Mortuary	374 331	59 082	315 249
Environmental Health	886,594	169 426	717 168
Flood Defence and Land Drainage	0	0	0
Public Conveniences	222 758	3 062	219,694
Licensing	26 117	20,859	5,258
Other Cleaning	915 919	71 827	844,092
Waste Collection	2,651 770	481 623	2 170 147
Waste Disposal	2 258 112	57 728	2,200,384
Building Control	784 258	355 787	428,461
Other Community Assets	2 581	0	2,581
Minor Works	77 483	0	77 483
Environmental Services	8 199 921	1 219 404	6 980,517
Democratic Representation and Management	935 531	155,092	780 439
Corporate Management	874 018	85 476	608,540
DRM and Corporate Management	1,609,547	220 568	1 388,979
Economic Development	772 952	24 140	748,812
Trading Services	41 794	28 795	14,999
Non Distributed Costs	549	0	549
Central Services to the Public	546,820	323 064	223 756
Other Services	1 382 115	373 999	988 116
CONTINUING OPERATIONS	21 267 744	4,623,032	16 644 712

Reconciliation to Net Cost of Services in the Comprehensive Income and Expenditure Statement

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

	£	£
Net Cost of Services In Service Analysis		16,644,712
<i>Items excluded from Service Analysis</i>		
Add amounts not reported in Service Analysis but included in Net Cost of Services in the Comprehensive Income and Expenditure Statement	0	
Remove amounts reported in Service Analysis but not included in Net Cost of Services in the Comprehensive Income and Expenditure Statement	0	
		0
Cost of Services on Continuing Operations In the Comprehensive Income and Expenditure Statement		16,644,712
<i>Items included in Net Operating Expenditure excluded from Service Analysis</i>		
Other Operating Expenditure	2 948	
Financing and Investment Income and Expenditure	2 085 979	
Surplus or Deficit on Discontinued Operations	0	
		2,088,927
Net Operating Expenditure per the Comprehensive Income and Expenditure Statement		18 733,639

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

3a Adjustments between accounting basis and funding basis under regulations

	Notes	2010/11		2009/10	
		£	£	£	£
<i>RESTATED</i> <i>RESTATED</i>					
Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the District Fund Balance for the year					
Impairments (losses & reversals) of non-current assets	10a/10b	0		0	
Derecognition (other than disposal) of non-current assets	10a/10b	0		0	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	10a/10b	4 593 431		0	
Depreciation charged in the year on non-current assets	10a/10b 2 3	2,970 286	7 563 717	2,953,403	2,953 403
Net Revenue expenditure funded from capital under statute			236 940		302,008
Carrying amount of non current assets sold		7 311		235,860	
Revaluation on disposal		0			
Proceeds from the sale of PP&E investment property and intangible assets	23,25	(20,580)	(13,269)	(232,912)	2 948
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	25		0		0
Net charges made for retirement benefits in accordance with IAS 19	20		(3 134 000)		1 854 000
Direct revenue financing of Capital Expenditure	11,25		(2 500 000)		(2,800 000)
Capital Grants and Donated Assets Receivable and Applied in year	8b		(974 870)		(11 772)
Capital Grants Receivable and Unapplied in year	8c		0		(553 659)
Rates Claw Back Reserve	25a/25b		0		0
Adjustments in relation to Short term compensated absences	17		(52 047)		0
Adjustments in relation to Lessor Arrangements			0		0
Adjustment for Group Consolidation			2 483		
Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the District Fund Balance for the year					
Loans/Lease principal repayments during the year	25a/25b		(696 406)		(622 020)
Employers contributions payable to the NILGOPF and retirement benefits payable direct to pensioners	20a		(1 111 706)		(1 049 970)
			(679 158)		63 166

3b Net transfers (to)/from statutory and other earmarked reserves

		2010/11	2010/11	2009/10	2009/10
		£	£	£	£
Capital Fund					
Interest		0		0	
Other	25a/25b	(500,000)	(500 000)	0	0
Renewal and Repairs Fund					
Interest					
Other	25a/25b	(182,154)	(182 154)	(253,490)	(253 490)
Other Funds and earmarked reserves					
Interest		0		0	
Other	25a/25b	0	0	0	0
			(682,154)		(253,490)

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

Cost of Services on Continuing Operations

4a **Section 115** of the Local Government Act (Northern Ireland) 1972 enables District Councils to spend up to the aggregate of the product of 0 0596p in the pound on the rateable value of non-domestic hereditaments, and the product of a rate of 0 00082p in the pound on the rateable value of domestic hereditaments for the benefit of all the inhabitants in their district, or part of their district, on activities not specifically authorised by other powers This would allow for £43,038 in 2010/11 (£42,102 in 2009/10) The actual expenditure during 2010/11 amounted to £NIL(£NIL in 2009/10)

4b External Audit Fees

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

	2010/11	2009/10
	£	£
External Audit Fees	33,070	24,197
Grant Claim Certification Fees	435	2,687
Other Fees	1,897	2,356
	35,402	29,240

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

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

Cost of Services on Continuing Operations (Continued)

5 Operating and Finance Leases

Council as Lessor

5a Finance Leases (Council as lessor)

The present value of lease payments receivable under the finance lease arrangements is recognised as a receivable and included in both short and long term debtors. The difference between the gross amount receivable and the present value of the amounts receivable is recognised as unearned finance income.

	2011	2010
	£	£
Long Term Debtors		
Finance leases-gross receivables	0	0
Less-Unearned finance income	0	0
Less-Unguaranteed residual value of property	0	0
<i>Net present value</i>	0	0

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

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

The net investment in finance leases may be analysed as follows

	2011	2010
	£	£
No later than 1 year	0	0
Later than 1 year and no later than 5 years	0	0
Later than 5 years	0	0
Total gross receivables	0	0

No contingent rents were recognised as receivable by the Council

5b Operating Leases (Council as lessor)

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

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

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £95,370 (previous year £69,895) No contingent rents were recognised

The lease contracts are all non-cancellable and do not include an extension option The lease terms are between 2 and 25 years Future minimum lease income is set out below

	2011		2010	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease rentals receivable				
No later than 1 year	64,973	0	95,370	0
Later than 1 year and no later than 5 years	72,929	0	130,262	0
Later than 5 years	89,560	0	97,200	0
	227,462	0	322,832	0

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

	2011		2010	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Cost	15,364,174	0	13,023,123	0
Accumulated depreciation and impairments at 1 April *	0	0	-2,501,744	0
Depreciation charge for the year	-654,108	0	-622,675	0
Impairments	144,062	0	0	0
	14,854,128	0	9,898,704	0

* Accumulated Depreciation reduced to zero, due to revaluation in year

Council as Lessee

5c Finance Leases (Council as lessee)

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

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

	Within 1 year	1 to 5 years	After 5 years	Total
	£	£	£	£
2010/11				
Finance leases payments	0	0	0	0
Less finance charges	0	0	0	0
Net present value	0	0	0	0
2009/10				
Finance leases payments	0	0	0	0
Less finance charges	0	0	0	0
Net present value	0	0	0	0
2008/09				
Finance leases payments	0	0	0	0
Less finance charges	0	0	0	0
Net present value	0	0	0	0

Included in the Balance Sheet as

	2011	2010	2009
	£	£	£
Current liabilities	0	0	0
Long term liabilities	0	0	0
	0	0	0

5d Operating Leases (Council as lessee)

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

	2010/11		2009/10	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease payments	0	129,679	0	139,169
Contingent rentals	0	0	0	0
Less Sublease payments receivable	0	0	0	0
	0	129,679	0	139,169

No sub-lease payments or contingent rent payments were made or received. No sublease income is expected as all assets held under operating lease agreements are used exclusively by the Council.

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

	2011		2010	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease rentals payable				
No later than 1 year	0	88,050	0	79,787
Later than 1 year and no later than 5 years	0	47,558	0	43,066
Later than 5 years	0	0	0	0
	0	135,608	0	122,853

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

Cost of Services on Continuing Operations (Continued)

6 Employee Costs and Members' Allowances

6a Staff Costs

	2010/11	2009/10
	£	£
Salaries and wages	7,890,514	7,999,195
Employers National Insurance	501,674	524,815
Employers pension costs	1,069,539	1,034,464
	9,461,727	9,558,474

In addition agency costs during the year amounted to £1,060,235 (2009/10 £1,039,980)

The Council's current contribution rate to the NILGOSC scheme is 17%. At the last actuarial valuation, dated 31 March 2011 the Fund's assets as a whole were sufficient to meet 86% (2010 89%) of the liabilities accrued up to that date

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

	2010/11	2009/10
	FTE	FTE
Environmental services	131	130
Leisure services	95	92
Other	80	79
	306	301
	Actual Numbers	Actual Numbers
Full-time numbers employed	265	262
Part-time numbers employed	57	56
	322	318

6c Senior Employees' Remuneration

	2010/11	2009/10
	£	£
£50,001 to £60,000	1	1
£60,001 to £70,000	3	3
£70,001 to £80,000	2	2
£80,001 to £90,000	1	1
	7	7

6d Members' Allowances

During the year Members' allowances (paid under Sections 12 and 36 of the Local Government Act (NI) 1972) including Employer's costs, totalled £327,358 (2009/10 £334,420) and are as follows

	2010/11	2009/10
	£	£
Salaries	0	0
Basic allowance	232,901	233,712
Mayor's & Deputy Mayor's Allowance *	3,521	3,355
Dependents' carers allowance	0	0
Employer costs	22,356	18,679
Mileage	18,650	18,830
Conferences and Courses	8,644	18,828
Travel Costs	8,754	8,839
Subsistence	170	817
Special responsibility allowances	31,920	31,360
Miscellaneous	442	0
Travel	0	0
	327,358	334,420

* The Mayors and Deputy Mayors allowance is paid through special responsibility allowance. The expense here relates to expenses of the Mayor and Deputy Mayor and is fully receipted.

6e Employee Costs of North East Partnership

	2010/11	2009/10
	£	£
Salaries and Wages	0	33,950
Employer National Insurance	0	2,021
Employers pension costs	0	4,445
	0	40,416

6f Employee Costs of The North East Rural Development Programme

	2010/11	2009/10
	£	£
Salaries and Wages	227,455	83,391
Employer National Insurance	16,629	4,964
Employers pension costs	30,439	10,920
	274,523	99,275

6g Employee Costs of North East Partnership Joint Committee

	2010/11	2009/10
	£	£
Salaries and Wages	39,510	0
Employer National Insurance	3,169	0
Employers pension costs	5,544	0
	48,223	0

Neither North East Partnership Joint Committee or the North East Rural Development Programme has any employee earning more than £50,000

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

7 Other Operating Expenditure

	2010/11	2009/10
	£	£
Surplus/Deficit on Non-Current Assets	(13,269)	2,948
Other Operating Income/Expenditure	0	0
Total Other Operating expenditure	(13,269)	2,948

8 Financing and Investment Income and Expenditure

	2010/11			2009/10		
	Gross Expenditure	Gross Income	Net Cost	Gross Expenditure	Gross Income	Net Cost
	£	£	£	£	£	£
Interest Payable and Similar Charges	1 384 034	0	1,384,034	1 462 886	0	1,462,886
Interest and Investment Income	0	72 586	(72,586)	0	69,907	(69,907)
Pensions interest cost and expected return on pensions assets	2 766 000	2 403 000	363,000	2 218 000	1 525 000	693,000
Surplus/(Deficit) on trading operations	0	0	0	0	0	0
Changes in Fair Value of Investment Properties	0	5 000	(5,000)	0	0	0
Other investment income	0	0	0	0	0	0
	4,150,034	2,480,586	1,669,448	3,680,886	1,594,907	2,085,979

9 Taxation and Non-Specific Grant Income

	2011/10	2009/10
	£	£
Current year	18,701,795	17,146,550
Finalisation - previous year	0	0
Transitional Relief	0	0
Finalisation - other years	0	0
	18,701,795	17,146,550

Summary of Taxation and Non-Specific Grant Income

	2010/11	2009/10
	£	£
District Rates Income	18,701,795	17,146,550
Revenue Grants	1,336,101	1,212,474
Taxation and Non-Specific Grant Income	20,037,896	18,359,024
Capital Grants and Contributions	974,870	565,431
Capital Grants in Year	974,870	565,431
Total Taxation and Non-Specific Grant Income	21,012,766	18,924,455

10a Fixed Assets Note Current Year

	Property, Plant & Equipment (PP&E)									Investment Properties	Intangible Assets	TOTAL
	Land	Buildings	Infrastructure Assets	Landfill Site	Vehicles Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E			
	£	£	£	£	£	£	£	£	£	£		£
Cost or Valuation												
At 1 April 2010	13 427 470	87 317 835	0	0	5 157 892	108 158	3 040,387	0	89,051,540	170,000	0	89,221,540
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	13 427 470	87 317 835	0	0	5 157 892	108 158	3 040,387	0	89 051 540	170,000	0	89,221,540
Additions (Note 11)	0	1 881 599	0	0	350,482	1	248,452	0	2,280,534	0	0	2,280,534
Donations	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation increases/decreases to Revaluation Reserve	553,881	(3,373,873)	0	0	(278 155)	0	0	0	(3,098 347)	0	0	(3,098,347)
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	(3,275,238)	(2 411 008)	0	0	0	0	0	0	(5,686,245)	5,000	0	(5,681 245)
Revaluation on disposal	0	0	0	0	0	0	0	0	0	0	0	0
Derecognition Disposals Revalued	0	0	0	0	0	0	0	0	0	0	0	0
Derecognition Disposals	(1 715)	0	0	0	(88,500)	0	0	0	(88,275)	0	0	(88,275)
Derecognition Other	0	0	0	0	0	0	0	0	0	0	0	0
Reclassifications & Transfers	0	2 474 871	0	0	178 416	0	(2,851 087)	0	0	0	0	0
Reclassified to Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0
Reclassified from Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0
Adjustment-Landfill Deferred Charge (Note 18)	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2011	10 704,200	85,689 023	0	0	5,322,075	108 157	637 752	0	82,481 207	175,000	0	82,656,207
Depreciation and Impairment												
At 1 April 2010	0	8 874 318	0	0	3 734 303	0	0	0	12,608,621	0	0	12,608,621
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	0	8,874,318	0	0	3 734 303	0	0	0	12,608,621	0	0	12,608,621
Depreciation Charge	0	2,538,883	0	0	431 403	0	0	0	2,970,286	0	0	2,970,286
Depreciation written out on Revaluation Reserve	0	(10 325,387)	0	0	(730 948)	0	0	0	(11,056,333)	0	0	(11 056 333)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	0	(1 087 814)	0	0	0	0	0	0	(1,087,814)	0	0	(1 087 814)
Impairment losses/reversals to Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0
Derecognition Disposals	0	0	0	0	(74 280)	0	0	0	(74,280)	0	0	(74,280)
Derecognition Other	0	0	0	0	0	0	0	0	0	0	0	0
Reclassifications & Transfers	0	0	0	0	0	0	0	0	0	0	0	0
Eliminated on reclassification to Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2011	0	0	0	0	3,380,480	0	0	0	3,380,480	0	0	3,380,480
Net Book Value												
At 31 March 2011	10 704,200	85 689,023	0	0	1 981 595	108 157	637 752	0	79 100,727	175,000	0	79,275 727
At 31 March 2010	13 427 470	88,443,317	0	0	1 423,589	108 158	3 040,387	0	76,442 819	170,000	0	76,612,819

Intangible Assets

Ballymena Borough does not hold any Intangible Assets

Investment properties

There were no additions within the year

Valuations

A full valuation of freehold and leasehold properties was carried out as at 1 April 2011 by an independent valuer from Land and Property Services. Please refer to note 1A(xvii) for further information on revaluation and depreciation policies

Capital Commitments

Schedule of Capital Commitments is disclosed in Note 12 in the Notes to the Financial Statements

Effects of Changes in Estimates

There were no effects or changes in Estimates within the period

Impairments

There were no material impairments recognised or reversed during the period

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

10b Fixed Assets Note - Comparative Year

	Property, Plant & Equipment (PP&E)									Investment Properties	Intangible Assets	TOTAL
	Land	Buildings	Infrastructure Assets	Landfill Site	Vehicles Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E			
	£	£	£	£	£	£	£	£	£	£		£
Cost or Valuation												
At 1 April 2009	13,474,120	66,508,417	0	0	4,915,097	108,156	2,543,623	0	87,549,413	170,000	0	87,719,413
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	13,474,120	66,508,417	0	0	4,915,097	108,156	2,543,623	0	87,549,413	170,000	0	87,719,413
Additions (Note 11)	0	204,599	0	0	273,539	0	1,297,841	0	1,775,979	0	0	1,775,979
Donations	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation increases/decreases to Revaluation Reserve	201,885	0	0	0	0	0	0	0	201,885	0	0	201,885
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0
Impairments	(24,450)	(191,916)							(216,366)			(216,366)
Transfer to revenue							(4,542)		(4,542)			(4,542)
Derecognition Disposals	(224,085)	0	0	0	(30,744)	0	0	0	(254,829)	0	0	(254,829)
Derecognition Other	0	0	0	0	0	0	0	0	0	0	0	0
Reclassifications & Transfers	0	796,535	0	0	0	0	(796,535)	0	0	0	0	0
Reclassified to Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0
Reclassified from Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0
Adjustment-Landfill Deferred Charge (Note 18)	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2010	13,427,470	67,317,635	0	0	5,157,892	108,156	3,040,387	0	89,051,540	170,000	0	89,221,540
Depreciation and Impairment												
At 1 April 2009	0	6,411,609	0	0	3,288,333	0	0	0	9,699,942	0	0	9,699,942
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	0	6,411,609	0	0	3,288,333	0	0	0	9,699,942	0	0	9,699,942
Depreciation Charge	0	2,488,464	0	0	464,939	0	0	0	2,953,403	0	0	2,953,403
Depreciation written out on Revaluation Reserve	0	(25,755)	0	0	0	0	0	0	(25,755)	0	0	(25,755)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0
Derecognition Disposals	0	0	0	0	(18,969)	0	0	0	(18,969)	0	0	(18,969)
Derecognition Other	0	0	0	0	0	0	0	0	0	0	0	0
Reclassifications & Transfers	0	0	0	0	0	0	0	0	0	0	0	0
Eliminated on reclassification to Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2010	0	8,674,318	0	0	3,734,303	0	0	0	12,608,621	0	0	12,608,621
Net Book Value												
At 31 March 2010	13,427,470	58,443,317	0	0	1,423,589	108,156	3,040,387	0	76,442,919	170,000	0	76,612,919
At 31 March 2009	13,474,120	60,096,808	0	0	1,626,764	108,156	2,543,623	0	77,849,471	170,000	0	78,019,471

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

10c Fixed Assets-Leased Assets
At 31 March 2011

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

Comparative Year

<u>LEASED ASSETS (included within vehicles, plant and equipment)</u>	Vehicles £	Equipment £	TOTAL £
Cost or Valuation			
At 1 April 2009	0	0	0
Additions	0	0	0
Disposals	0	0	0
At 31 March 2010	0	0	0
Depreciation			
At 1 April 2009	0	0	0
Disposals	0	0	0
Provided for year	0	0	0
At 31 March 2010	0	0	0
Net Book Value			
At 31 March 2010	0	0	0
At 31 March 2009	0	0	0

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

10d Assets Held for Sale

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

The gain/loss on assets classified to hold for sale and sold during the year was £0 (2010 £0)

Comparative Year

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

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

10e Investment Properties

The following items of income and expense have been recognised in the Comprehensive Income and Expenditure Statement

	2010/11	2009/10
	£	£
Rental income from investment property	4 521	4,414
Direct operating expenses arising from investment property	-3 337	-2,899
Net gain/(loss)	1,184	1,515

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

11 Capital Expenditure

	Note	2010/11	2009/10	2008/09
		£	£	£
Expenditure				
Capital expenditure	10a/10b	2 280 534	1 775 979	2 641 299
Re Group Capital Expenditure			(6 850)	
Financed By				
Borrowings				
Loans		0	2,092,422	5,345,721
ST Loans (repaid) / raised		(2,000,000)	(3,000,000)	(6,000,000)
Grants receivable	9	974,870	585,431	679,863
Unapplied Grants Applied in the Period	25	553,859		0
Capital receipts	25	20,580	232,912	1,173,924
Transfer from ST Loan repayment	25	500,000	500,000	646,167
Transfer from Capital Fund	25	0	0	500,000
Transfer from Repairs and Renewals	25	0	0	0
Revenue contributions to capital	3,25	2,500,000	2,800,000	458,165
Adjustment relating to Opening Balance 2003 when note first collated				682,858
Adjustment re NIHE debt			815,057	
		2,549,109	4,005,822	3,486,698
Surplus/(Deficit)				
		268 575	2 238 693	845 399
Balance brought forward		(2 126 471)	(4 363 184)	(5 208 583)
Balance carried forward		(1,857,896)	(2,126,471)	(4,363,164)

Financing of capital spend has been completed on an accruals basis. The council plans to finance this deficit by drawing down GLF Loans.

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	1 388 000	715 000	673,000
Other Commitments	390 000	0	390,000
Total	1,778,000	715,000	1,063,000

13 Inventories

	2010/11	2009/10	2008/09
	£	£	£
Garage	26,658	30,138	38,130
Bins	46,514	89,553	75,367
Fuel	6,189	5,184	5,366
Trading Outlets	25,795	30,540	28,788
Stationery	21,458	24,810	25,340
Other	2,192	2,547	3,204
Total	128,802	192,572	176,193

The cost of inventories recognised as expense and included in services amounted to £(63 774) (2010 £16 379)

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

14 Debtors

	2010/11	2009/10	2008/09
	£	£	£
14a) Long Term Debtors			
*Government Departments	0	0	0
Other Councils	0	0	0
Public corporations and trading funds	0	0	0
Bodies external to general government	0	0	0
Employee car loans	2,635	4,634	6,633
Grants	0	0	0
Loans and advances	0	0	0
Finance lease debtors-Note 5c)	0	0	0
Trade debtors	0	0	0
NIHE Loans	1,018,550	1,043,474	1,066,767
Other	0	0	0
Impairment of loans and receivables	0	0	0
Total Long-Term Debtors	1,021,185	1,048,108	1,073,400
14b) Short Term Debtors			
*Government Departments	976,772	1,051,564	562,628
Other Councils	159,144	15,014	5,404
Other Local Authorities	2,678	73,276	19,073
Bodies external to general government	0	0	0
Employee car loans	2,000	2,000	2,000
Grants	0	0	0
Value Added Tax	612,375	418,786	350,590
Prepayments	119,188	227,320	368,095
Finance lease debtors-Note 5c)	0	0	0
Other	166,391	362,230	271,102
Trade receivables	159,660	206,618	236,159
Group Debtor	544,828	517,958	860,422
Impairment loss - Trade receivables	(55,400)	(55,257)	(54,389)
Total Short-Term Debtors	2,687,636	2,819,509	2,621,084
Total Debtors	3,708,821	3,867,617	3,694,484

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

15a Long-Term Investments

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

Analysed over

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

15b Short-Term Investments

	2010/11	2009/10	2008/09
	£	£	£
Investments - Deposits for Landfill Closure	1,848,388	1,814,467	1,777,842
Investments - repairs and renewals	0	0	0
Investments - capital fund	0	0	0
Investments - other	1,006,250	0	0
Total Short-term Investments	2,854,638	1,814,467	1,777,842

Analysed over

	2010/11	2009/10	2008/09
	£	£	£
Money market deposits	0	0	0
Other deposits	2,854,638	1,814,467	1,777,842
Total Short-term Investments	2,854,638	1,814,467	1,777,842

Total Long Term and Short-term Investments	2,854,638	1,814,467	1,777,842
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BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

16 a Short Term Borrowing

	2010/11	2009/10	2008/09
	£	£	£
Loans re-payable within one year	741,203	2,719,699	5,645,314
Finance Lease Principal	0	0	0
Total Short Term Borrowing	741,203	2,719,699	5,645,314

16 b Long Term Borrowing

	2010/11	2009/10	2008/09
	£	£	£
Between 1 and 2 years	725,389	741,203	670,666
Between 2 and 5 years	2,372,148	2,277,017	1,972,873
Between 5 and 10 years	4,472,825	4,416,487	3,808,953
In more than 10 years	16,513,250	17,390,113	18,999,603
Government Loans Fund	24,083,612	24,824,820	23,462,096
Total Borrowing	24,824,815	27,544,519	29,097,409

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

17 a Short Term Creditors

	2010/11	2009/10	2008/09
	£	£	£
Government Departments	280,682	367,848	318,639
Other Councils	856	6,186	2,946
Other Local Authorities	168,449	27,182	80,035
Bodies external to general government	0	0	0
Rates clawback	0	0	0
Remuneration due to employees	0	0	0
Accumulated Absences	125,455	177,502	209,316
Receipts in advance	0	0	0
Trade creditors	865,818	904,360	612,023
Group Creditor	589,143	588,830	678,898
Other	694,959	591,671	984,328
Total Short Term Creditors	2,725,362	2,663,679	2,886,185

Payment of Invoices

The Council has a target of paying invoices within 30 days

During the year the Council paid 11,784 invoices totalling £13.6m

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 b Long Term Creditors

	2010/11	2009/10	2008/09
	£	£	£
Other creditors falling due after more than one year			
Government Departments	0	0	0
Other Councils	0	0	0
Public corporations and trading funds	0	0	0
Bodies external to general government	0	0	0
Grants Unapplied Account Liability	0	0	(98,092)
Rates clawback	0	0	0
Other	0	0	0
Total Long Term Creditors	0	0	(98,092)
Total Creditors	2,725,362	2,663,679	2,788,093

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

18 Provisions

	At 1 April 2010	Increase in provision during year	Utilised during year	Interest earned	At 31 March 2011
	£	£	£	£	£
Single status	1,165,331	645,684	0	0	1,811,015
Insurance	146,000	60,000	73,500	0	132,500
Landfill closure	1,814,467	236,940	203,019	0	1,848,388
Rates Clawback	0	28,769	0	0	28,769
Claims management	0	0	0	0	0
Other	0	0	0	0	0
	3,125,798	971,393	276,519	0	3,820,672

Current Provisions	1,494,531	823,453	5,900	0	2,312,084
Long Term Provisions	1,631,267	147,940	270,619	0	1,508,588
	3,125,798	971,393	276,519	0	3,820,672

Comparative Year

	At 1 April 2009	Increase in provision during year	Utilised during year	Interest earned	At 31 March 2010
	£	£	£	£	£
Single status	642,992	522,339	0	0	1,165,331
Insurance	130,500	45,000	29,500	0	146,000
Landfill closure	1,777,842	302,008	265,383	0	1,814,467
Reorganisation	0	0	0	0	0
Claims management	0	0	0	0	0
Other	0	0	0	0	0
	2,551,334	869,347	294,883	0	3,125,798

Current Provisions	829,092	671,339	5,900		1,494,531
Long Term Provisions	1,722,242	198,008	288,983		1,631,267
	2,551,334	869,347	294,883	0	3,125,798

Provisions-Additional Disclosure

The Single Status Agreement requires Councils to develop pay and grading structures that allow for harmonisation of terms and conditions of service for employees. At 31 March 2011 the process was not complete, however a provision was made of £1,811k. The process is due to complete early Autumn 2011.

The Insurance provision relates to Council's estimated self insurance liability re employers and public liability claims lodged against the Council. A specific provision totalling £132,500 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.

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FOR THE YEAR ENDED 31 MARCH 2011

19 Financial Instruments

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

Credit Risk

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

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

	£
Less than three months	£186,711
Three to six months	£31,896
Six months to one year	£42,512
More than one year	£58,110
	£319,229

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 £28,946,934 analysed as follows

	£
Government Loans	28,946,934
Market Loans	0
Total	28,946,934

The Council has not made any loans to voluntary organisations and other external bodies at less than market rates (soft loans)

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20 Retirement Benefits

20 1 Participation in the Northern Ireland Local Government Officers' Pension Fund

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

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

Transactions relating to retirement benefits - Comprehensive Income and Expenditure

20 2 Statement Charges

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

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

	Note	2010/11	2009/10
		£	£
Net cost of services			
Current service cost		1,327,000	699,000
Past service cost/(gain)		(4,824,000)	384,000
Gains and losses on settlements or curtailments		0	78,000
Net operating expenditure			
Interest cost		2,766,000	2,218,000
Expected return on scheme assets		(2,403,000)	(1,525,000)
Net charge to the Comprehensive Income and Expenditure Statement		(3,134,000)	1,854,000
Adjustments between accounting basis & funding basis under regulations			
Reversal of net charges made for retirement benefits in accordance with IAS 19		3,134,000	(1,854,000)
Actual amount charged against the general fund balance for pensions in the year			
Employers' contributions payable to scheme		1,111,706	1,049,970
Net charge to the Comprehensive Income and Expenditure Statement		4,245,706	(804,030)

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

In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Statement, actuarial gains of £9,860k (£11,138k loss in 2009/10) were included in other comprehensive income and expenditure in the Comprehensive Income and Expenditure Statement. The cumulative amount of actuarial gains and losses recognised in other comprehensive income and expenditure is a loss of £1,278k.

20.3 Assets and liabilities in relation to retirement benefits

Reconciliation of present value of the scheme liabilities

	Note	2010/11	2009/10
		£	£
Balance as at 1 April		53,886,000	32,007,000
Current service cost		1,327,000	699,000
Interest cost		2,766,000	2,218,000
Contributions by members		418,000	408,000
Actuarial losses/(gains)		(8,536,000)	19,391,000
Past service costs/(gains)		(4,824,000)	384,000
Losses/(gains) on curtailments		0	78,000
Liabilities extinguished on settlements		0	0
Estimated unfunded benefits paid		(23,000)	(25,000)
Estimated benefits paid		(1,427,000)	(1,274,000)
Balance as at 31 March		43,587,000	53,886,000

Reconciliation of present value of the scheme assets

	Note	2010/11	2009/10
		£	£
Balance as at 1 April		33,356,000	23,363,000
Expected return on assets		2,403,000	1,525,000
Contributions by members		418,000	408,000
Contributions by employer		1,088,706	1,024,970
Contributions in respect of unfunded benefits		23,000	25,000
Adjustment Re Hymans		16,294	56,030
Actuarial gains/(losses)		1,324,000	8,253,000
Assets distributed on settlements		0	
Unfunded benefits paid		(23,000)	(25,000)
Benefits paid		(1,427,000)	(1,274,000)
Balance as at 31 March		37,179,000	33,356,000

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

The actual return on scheme assets in the year was a gain/(loss) of £2,403k (2009/10 gain/(loss) of £1,525k).

Fair Value of Plan Assets

	31/03/2011	31/03/2010	31/03/2009
	£	£	£
Equity investments	28,628,000	25,684,000	17,055,000
Bonds	5,205,000	4,670,000	3,271,000
Property	2,231,000	2,001,000	1,635,000
Cash	1,115,000	1,001,000	1,402,000
	37,179,000	33,356,000	23,363,000

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

The amounts included in the fair value of plan assets for property occupied by the Council was £NIL.

The Council's share of the Net Pension Liability (included in the Balance Sheet)

	31/03/2011	31/03/2010	31/03/2009
	£	£	£
Fair Value of Employer Assets	37,179,000	33,356,000	23,363,000
Present value of funded liabilities	(43,242,000)	(53,448,000)	(31,635,000)
Net (Under)/Overfunding in Funded Plans	(6,063,000)	(20,092,000)	(8,272,000)
Present Value of Unfunded Liabilities	(345,000)	(438,000)	(372,000)
Unrecognised Past Service Cost	0	0	0
Amounts not recognised as an asset	0	0	0
Fair value of reimbursement rights recognised as an asset	0	0	0
Other amounts not recognised in the Balance Sheet	0	0	0
Net Asset/(Liability)	(6,408,000)	(20,530,000)	(8,644,000)
<i>Amount in the Balance sheet</i>			
Liabilities	(6,480,325)	(20,586,030)	(8,644,000)
Assets	0	0	0
Net Asset/(Liability)	(6,480,325)	(20,586,030)	(8,644,000)

20.4 Scheme history

Analysis of scheme assets and liabilities

	31/03/2011	31/03/2010	31/03/2009
	£	£	£
Fair Value of Assets in pension scheme	37,179,000	33,356,000	0
Present Value of Defined Benefit Obligation	(43,587,000)	(53,886,000)	0
Surplus/(deficit) in the Scheme	(6,408,000)	(20,530,000)	0

Amount recognised in Other Comprehensive Income and Expenditure

	31/03/2011	31/03/2010	31/03/2009
	£	£	£
Actuarial gains/(losses)	9,860,000	(11,138,000)	0
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	0	0	0
Actuarial gains/(losses) recognised in Other Comprehensive Income and Expenditure	9,860,000	(11,138,000)	0
Cumulative actuarial gains and losses	(1,278,000)	(11,138,000)	0
History of experience gains and losses			
Experience gains and (losses) on assets	1,324,000	8,253,000	0
Experience gains and (losses) on liabilities	4,503,000		0

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £43,587k has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in a net liability of £6,480k.

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

Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2011

	31/03/2012	31/03/2012
	£	%
Projected current cost	(1,358,000)	20.3%
Interest on obligation	(2,407,000)	36.0%
Expected return on assets	2,572,000	-38.5%
Past service cost	0	0.0%
Gains and losses on settlements or curtailments	0	0.0%
	(1,193,000)	17.8%

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the council in the year to 31 March 2011 is £1,111,706

History of experience gains and losses

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

	31/03/2011	31/03/2010	31/03/2009
	%	%	%
Experience (gains and (losses) on Assets	4%	25%	0%
Experience gains and (losses) on Liabilities	-10%	0%	0%

20 5 Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The Council's Fund liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates for the Council Fund being based on data pertaining to the latest full valuation of the scheme as at 31 March 2011

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

20 5 Major categories of plan assets as percentage of total plan assets

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

	31/03/2011	31/03/2010	31/03/2009
	%	%	%
Equity investments	77.0	77.0	73
Bonds	14.0	14.0	14.0
Property	6.0	6.0	7.0
Cash	3.0	3.0	6.0
	100	100	100

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21 Donated Assets Account

	Note	2010/11	2009/10	2008/09
		£	£	£
Opening balance		0	0	0
Add new donated assets received (condition of use not met)		0	0	0
Less amounts released to the District Fund - Comprehensive Income and Expenditure Account (conditions met)		0	0	0
		0	0	0

Analysis of Donated Assets Account

The balance of the Donated Assets Account represents donations received that have yet to be recognised as income as they have conditions attached to them which will require the donated assets to be returned if conditions are not met. The balances at the year end are as follows

	Note	2010/11	2009/10	2008/09
		£	£	£
Donated Assets Account				
Donation A		0	0	0
Donation B		0	0	0
Donation C		0	0	0
		0	0	0

22 Capital Grants Received in Advance

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

Analysis of Capital Grants Receipts in Advance Balance

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

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

23 Contingencies

The Northern Ireland Environmental Agency will be reviewing the adequacy of the Council's financial provision for landfill capping and aftercare costs in line with its paper 'Financial Provision for Waste Management activities in NI'. As a consequence the current landfill closure provision reflected in the financial statements may change

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Notes to the Financial Statements
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**24a Analysis of Adjustments to Surplus/Deficit
on the Provision of Services**

	Notes	2010/11 £	2009/10 £
Adjustment to surplus or deficit on the provision of services for noncash movements			
Depreciation		2,970,286	2,953,403
Impairment & downward revaluations (& non-sale derecognitions)		4,593,431	11,274
(Increase)/Decrease in Stock		63,774	(16,379)
(Increase)/Decrease in Debtors		158,653	(174,001)
Increase/(decrease) in impairment provision for bad debts		143	868
Increase/(Decrease) in Creditors		395,044	412,910
Increase/(Decrease) in Interest Creditors		0	0
Payments to NILGOSC		(4,245,706)	804,030
Carrying amount of non-current assets sold		7,311	235,860
Pension Payment to NILGOSC		18,343	0
Adjustment for consolidation		2,483	0
Assets written off to Net Cost of Services		34,631	4,542
Contributions to Other Reserves/Provisions		694,874	574,464
Amounts posted to DFS from Donated Assets Account	22	0	0
		<u><u>4,688,267</u></u>	<u><u>4,806,971</u></u>
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities			
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		0	0
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		0	0
Proceeds from the sale of PP&E, investment property and intangible assets		(20,580)	(232,912)
Capital grants included in "Taxation & non-specific grant income"		(974,870)	(565,431)
		<u><u>(995,450)</u></u>	<u><u>(798,343)</u></u>

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24b Cash and Cash Equivalents

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

	31/03/2011 £	31/03/2010 £	31/03/2009 £
Cash and Bank balances	39,913	12,026	38,914
Short Term Investments (considered to be Cash Equivalents)	554,592	734,190	577,062
Short Term Deposits (considered to be Cash Equivalents)	0	0	0
Bank Overdraft	(1,156,439)	(1,170,888)	(1,529,270)
	<u>(561,934)</u>	<u>(424,672)</u>	<u>(913,294)</u>

24c Cash Flow Statement-Operating Activities

	2010/11 £	2009/10 £
<i>The cash flows from operating activities include</i>		
Interest received	<u>127,373</u>	<u>118,424</u>
Interest paid	<u>(1,384,034)</u>	<u>(1,521,208)</u>

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24d Cash flows from Investing Activities

	2010/11 £	2009/10 £
Purchase of PP&E, investment property and intangible assets	2,602,781	2,354,219
Purchase of Short Term Investments (not considered to be cash equivalents)	1,040,171	36,625
Purchase of Long Term Investments	0	0
Other Payments for Investing Activities	0	0
Proceeds from the sale of PP&E, investment property and intangible assets	(20,580)	(232,912)
Proceeds from Short Term Investments (not considered to be cash equivalents)	0	
Proceeds from Long Term Investments	0	0
Capital Grants and Contributions Received	(974,870)	(565,431)
Other Receipts from Investing Activities	0	0
Net Cash flows from Investing Activities	<u>2,647,502</u>	<u>1,592,501</u>

24e Cash flows from Financing Activities

	2010/11 £	2009/10 £
Cash Receipts from Short and Long Term Borrowing	0	2,092,423
Other Receipts from Financing Activities	0	0
Cash payments for the reduction of the outstanding liability relating to a finance lease and on-Balance Sheet PFI contracts	0	0
Repayment of Short and Long Term Borrowing	(2,719,703)	(3,645,314)
Other payments for Financing Activities	0	0
Net Cash flows from Financing Activities	<u>(2,719,703)</u>	<u>(1,552,891)</u>

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25a) Analysis of Movement on Reserves - Current Year

	Notes	USABLE RESERVES						UNUSABLE RESERVES								TOTAL UNUSABLE RESERVES	TOTAL AUTHORITY RESERVES	
		Capital Receipts Reserve	Capital Grants Unapplied Account (new)	Capital Fund	Renewal & Repairs Fund	Other Balances and Reserves (e.g. Election Reserve)	District Fund	TOTAL USABLE RESERVES	Capital Adjustment Account	Financial Instruments Adjustment Account	Revaluation Reserve	Available for Sale Financial Instruments Reserve	Pensions Reserve	Deferred Capital Receipts Account	Accumulated Absences Account			Retiree Owe Back Reserve
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
		26a)	26b)	26c)	26d)	26e)	26f)		26g)	26h)	26j)	26k)	26l)	26m)	26n)			
At 1 April 2010		0	553,659	0	1,814,487	500,000	1,814,844	4,482,970	42,886,189	0	1,437,357	0	(20,586,030)	0	(177,502)	0	23,660,911	28,142,881
Movements during the year:																		
Applied Capital Grants	3 21 23						(974,870)	(974,870)	974,870								974,870	0
Unapplied Capital Grants received in year			0				0	0									0	0
Unapplied Capital Grants transferred to CAA in year			(553,659)					(553,659)	553,659								553,659	0
Direct Revenue Financing	3 11						(2,500,000)	(2,500,000)	2,500,000								2,500,000	0
Depreciation & Impairment adjustment	3						7,583,717	7,583,717	(7,583,717)								(7,583,717)	0
Loans/lease principal repayments							(896,406)	(896,406)	696,406								896,406	0
Net Revenue expenditure funded from capital under statute							236,940	236,940	(236,940)								(236,940)	0
Surplus/(Deficit) on the Provision of Services							1,537,126	1,537,126									0	1,537,126
Transfers between Statutory and Other Reserves and the District Fund				500,000	182,154	0	(682,154)	0									0	0
Net movements on Pension Reserve	3,20						(4,245,706)	(4,245,706)				4,245,706					4,245,706	0
Group Investment							2,483	2,483	(2,483)								(2,483)	0
Disposal of Fixed Assets/Capital Sales	3 10,23	20,580					(13,269)	7,311	(7,311)								(7,311)	0
Capital Receipts used to finance capital expenditure	3 11	(20,580)						(20,580)	20,580								20,580	0
Income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		0					(52,047)	(52,047)	0					52,047			52,047	0
Revaluation	16,20							0	7,959,986		0	9,660,000					17,619,986	17,619,986
Revaluation on Disposal								0									0	0
Other Movements		0			54,787		0	54,787	0		0					0	0	54,787
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	11			0	(2,051,408)	(500,000)		(2,551,408)	2,551,408								2,551,408	0
Total movements on reserves during the year (Change in Net Worth)		0	(553,659)	500,000	(1,814,487)	(500,000)	175,814	(2,192,312)	(513,528)	0	7,959,986	0	14,105,706	0	52,047	0	21,904,211	19,411,899
At 31 March 2011		0	0	500,000	0	0	1,790,856	2,290,858	42,472,658	0	9,387,343	0	(6,480,324)	0	(125,455)	0	45,284,222	47,554,880

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

25b) Analysis of Movement on Reserves - Comparative Year

	Note	USABLE RESERVES						TOTAL USABLE RESERVES	UNUSABLE RESERVES								TOTAL UNUSABLE RESERVES	TOTAL AUTHORITY RESERVES	
		Capital Receipts Reserve	Capital Grants Unapplied Account	Capital Fund	Renewal & Repairs Fund	Other Balances and Reserves (e.g. Election Reserve)	District Fund		Capital Adjustment Account	Financial Instruments Adjustment Account	Revaluation Reserve	Available for Sale Financial Instruments Reserve	Pensioners Reserve	Deferred Capital Receipts Account	Accumulated Absences Account	Rates Clew Back Reserve			
		£ 2010	£ 2011	£ 2010	£ 2011	£ 2010	£ 2011		£ 2010	£ 2011	£ 2010	£ 2011	£ 2010	£ 2011	£ 2010	£ 2011			
At 1 April 2009	SORP	0	0	0	1,777,843	1,000,000	2,179,782	4,967,824	28,929,485	0	1,437,357	0	(251,853)	0	0	0	0	31,114,979	38,872,894
IFRS Adjustments-Please read call eventment		0	0	0	0	(208,318)		(111,324)	12,104,811				(5,382,137)					3,712,474	3,861,259
At 1 April 2009	IFRS	0	0	0	1,777,843	791,684	2,179,782	4,846,491	42,034,066	0	1,437,357	0	(5,634,000)	0	0	0	0	34,827,463	38,873,854
Movements during the year																			
Applied Capital Grants	3,21,22						(11,772)	(11,772)	11,772									11,772	0
Unapplied Capital Grants received in year			553,859				(553,859)	0	0									0	0
Unapplied Capital Grants transferred to CAA in year								0	0									0	0
Direct Revenue Financing	3,11						(2,800,000)	(2,800,000)	2,800,000									2,800,000	0
Depreciation & Impairment adjustment	3						2,953,403	2,953,403	(2,953,403)									(2,953,403)	0
Loans/lease principal repayments							(822,020)	(822,020)	822,020									822,020	0
Net Revenue expenditure funded from capital under							302,008	302,008	(302,008)									(302,008)	0
Surplus/(Deficit) on the Provision of Services							(374,814)	(374,814)										0	(374,814)
Transfers between Statutory and Other Reserves and the District				0	253,490	0	(253,490)	0										0	0
Group Investment							0	0										0	0
Net movements on Pension Reserve	29						726,030	726,030					(726,030)					(726,030)	0
Disposal of Fixed Assets/Capital Sales	3,14,23	232,912					2,846	235,868	(235,868)									235,868	0
Capital Receipts used to finance capital expenditure	3,11	(232,912)						(232,912)	232,912									232,912	0
Difference between finance and other costs and income		0					0	0	0					0	0			0	0
Revaluation	16,29						0	0	227,840	0			(11,138,000)					(10,910,160)	(10,910,160)
Impairments	16,30						0	0	(216,368)									(216,368)	(216,368)
Unapplied Capital Grants already within CAA			(98,092)					(98,092)	0									0	(98,092)
IFRS Movements						209,318		209,318										0	209,318
Other Movements		0			46,517	78,000	128,517	11,274	(11,274)			(78,000)		(177,502)	0			(286,887)	(286,888)
Transfers between Capital Fund/Renewal & Repair	11			0	(285,383)	(500,000)		(786,383)	786,383									786,383	0
Total movements on reserves during the year																			
(Change in Net Worth)																			
At 31 March 2010		0	465,867	0	36,824	(295,884)	(664,938)	(263,431)	832,890	0	0	0	(11,842,038)	0	(177,892)	0	0	(11,187,442)	(11,230,873)
At 31 March 2011		0	883,888	0	1,814,467	696,094	1,814,464	4,482,978	42,836,198	0	1,437,357	0	(6,020,038)	0	(177,892)	0	0	23,886,911	28,142,911

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
Usable Reserves
FOR THE YEAR ENDED 31 MARCH 2011

26a) Capital Receipts Reserve

These are capital receipts which have originated primarily from the sale of assets which have not yet been used to finance capital expenditure

The Capital Receipts Reserve is credited with the proceeds from fixed asset sales and other monies defined by statute as capital receipts. These are originally credited to the Comprehensive Income and Expenditure Statement as part of the gain/loss on disposal and posted out via the Movement in Reserves Statement to the Capital Receipts Reserve. The reserve is written down when resources are applied to finance new capital expenditure or set aside to reduce an authority's capital financing requirement (or used for other purposes permitted by statute).

26b) Capital Grants Unapplied account

Where a capital grant or contribution (or part thereof) has been recognised as income in the Comprehensive Income and Expenditure Statement, but the expenditure to be financed from that grant or contribution has not been incurred at the Balance Sheet date, the grant or contribution shall be transferred to the Capital Grants Unapplied Account (within the usable reserves section of the balance sheet), reflecting its status as a capital resource available to finance expenditure. This transfer is reported in the Movement in Reserves Statement.

When, at a future date, the expenditure to be financed from the grant or contribution is incurred, the grant or contribution (or part thereof) shall be transferred from the Capital Grants Unapplied Account to the Capital Adjustment Account, reflecting the application of capital resources to finance expenditure. This transfer is also reported in the Movement in Reserves Statement or in the notes to the accounts.

26c) Capital Fund

This fund was established under section 56 of the Local Government Act (NI) 1972 and has an approved limit of £1.2m

	£
Project A	0
Project B	0
General	500,000
Total	500,000

26d) Renewal and Repairs Fund

This fund was established under section 56 of the Local Government Act (NI) 1972 and has an approved limit of £2m

	£
Closure of Ballymacvea Landfill site	1,848,388
	0
	0
Total	1,848,388

26e) Other Balances & Reserves (Election Reserve)

This reserve is used to equalise (smooth) the cost of elections by building up a fund to cover the costs of future elections by making contributions, as and when required, to the reserve

26f) District Fund

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

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
Unusable Reserves
FOR THE YEAR ENDED 31 MARCH 2011

26g) Capital Adjustment Account

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

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

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

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

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

26h) Financial Instruments Adjustment Account

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

26i) Revaluation Reserve UU

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

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

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

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

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

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

26k) Pension Reserve

Refer to note 20.

26l) Deferred Capital Receipts Account

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

26m) Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the District Fund balance from accruing for compensated absences earned but not taken in the year e.g. staff annual leave entitlement carried forward at the end of the financial year. Statutory arrangements are expected to require that the impact on the District Fund is neutralised by transfers to or from this Accumulated Absences Account.

26n) Rates Claw back Reserve

Land and Property Services have provided for phasing the repayment of the deferred claw-back in relation to the Ministry of Defence (MoD) and British Telecom (BT) of council district rates over the years 2008/09 to 2012/13.

The Department of Environment permits councils to phase the charge to the Comprehensive Income and Expenditure Statement over the same number of years by deferring the claw-back not repaid, to a deferred claw back reserve.

**BALLYMENA BOROUGH
COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011**

27 Significant Trading Operations

The Council considers a trading operation exists where the service it provides is competitive i.e. the user always has the choice to use an alternative supplier to the Council and the Council charges the user on a basis other than a straightforward recharge of the Council's costs in supplying the service. The Council uses a variety of charging mechanisms such as quoted lump sums, fixed periodical charges or rates, or a combination of these.

In deciding whether a trading operation is significant the Council takes both financial and non-financial criteria into account.

Financial criteria taken into account in deciding whether trading operations are significant to the Council are

- the magnitude of each individual trading operation's turnover when greater than 5% of the Council's net revenue budget
- the risk of financial loss the Council may be exposed to in providing the service to the user

Non-financial criteria taken into account in deciding whether trading operations are significant to the Council are

- the importance of each individual trading operation to demonstrating the achievement of Council targets and improving performance
- the exposure of the Council to service reputational loss risk by providing the service
- whether the provision of the service is likely to be of interest to the Council's key stakeholders and their needs

In applying the aforementioned criteria, the Council considers that it is engaging in the following significant trading operations

	2011 £ Turnover	2011 £ Profit/(Loss)	2010 £ Turnover	2010 £ Profit/(Loss)
<u>Significant Trading Operations</u>				
Letting of Industrial Estates	0	0	0	0
Printing Services	0	0	0	0
Professional and Support Services	0	0	0	0
Provision of Car Parking Facilities	0	0	0	0

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

28 Related Party Transactions

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

The related party transactions identified in the year ended 31 March 2011 are as follows -

The Council paid amounts over of £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.

	2010/11	2009/10
	£	£
NILGA	19,649	16,363
Ballymena Citizen's Advice Bureau*	61,000	61,163
Causeway Coast & Glens Heritage Trust	11,000	28,336
Causeway Coast & Glens Tourism Partnership	22,273	-
Cullybackey Improvement Association	7,412	-
Lower Bann Partnership	-	3,500
North Eastern Education & Library Board - Rental of Premises	13,030	9,400
Ballee Community Association	12,011	3,375
Arc 21	2,325,335	1,947,573
	2,471,710	2,069,710

* This body uses Council owned property free of charge

Council Car scheme

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

Voluntary Transition Committees

Statutory Transition Committees may flow from legislation but the Department has provided funding to the lead council for each Voluntary Transition Committee up to October 2010. The Income and Expenditure of the Committee was as follows

	2010/11	2009/10
	£	£
Income		
Funding provided by the DOE	88,529	145,572
Other Income		-
Total income	88,529	145,572
Expenditure		
Allowance to members	23,625	40,500
Other member expenses	3,758	8,776
Change Management Officer	56,675	4,298
ICT Costs	349	64,500
Other	4,122	27,498
Total expenditure	88,529	145,572

The income and expenditure for 2009/10 represents a full year of transactions however the transactions of 2010/11 are for the 7 month period up to the end of October 2010 when DOE funding ceased

During 2010/11 the Council had expenditure of £8,266 to other Councils of which £856 (see note 17a) was outstanding at 31 March 2011, and £214,008 received from other Councils of which £159,144 (see note 14b) was outstanding at 31 March 2011. These amounts mainly related to services provided

Group Accounts

The council is the employer council for both The Northern Environmental Health Group (NGS) and the North Eastern Building Control Group (GBC) and because of this we have prepared a consolidated Balance Sheet for Ballymena Borough Council, NGS and GBC. The trading activity of these two groups is not reported in the District Fund as the groups surplus/deficits belong to the councils making up these groups. The groups District Fund balances are therefore reported under short term creditors

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 -

Environmental Health Costs

The Northern Group Health Committee is made up of ten Councils Group Income and Expenditure for the year 2010/11 were as follows -

	2010/11	2009/10
	£	£
Income	1,964,459	2,237,800
Expenditure	1,983,691	2,242,950
Surplus/(Deficit) for the year	(19,232)	(5,150)
Surplus brought forward	293,570	298,720
Surplus carried forward	274,338	293,570

The Council made contributions of £84,486 to the Group during the 2010/11 year (£88,852 during the 2009/10 year)

Building Regulation Costs

The North Eastern Group Building Control Committee is made up of six Councils Group Income and Expenditure for the year 2010/11 were as follows -

	2010/11	2009/10
	£	£
Income	376,832	364,907
Expenditure	320,909	354,167
Surplus/(Deficit) for the year	55,923	10,740
Surplus brought forward	137,577	126,837
Surplus carried forward	193,500	137,577

The Council made contributions of £73,723 to the Group during the year 2010/11 year (£74,863 during the 2009/10 year)

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

	2010/11	2009/10
	£	£
N E Building Control Group	73,723	74,863
Northern Environmental Health Group	84,486	88,852
	158,209	163,715

In addition Council received a management fee of £12,400 from Northern Eastern Building Control group and £67,500 from Northern Environmental Health Group

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

	2010/11	2009/10
	£	£
N E Building Control Group	2,587	2,816
Northern Environmental Health Group	68,774	11,977
	71,361	14,793

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.

Partnership income and expenditure for the year 2010/11 were as follows -

	2010/11	2009/10
	£	£
Income	0	84,493
Expenditure	2,364	63,659
Surplus/(Deficit) for the year	(2,364)	20,834
Surplus brought forward	26,645	5,811
Surplus carried forward	24,281	26,645

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.

Joint Committee income and expenditure for the year was as follows

	2010/11	2009/10
	£	£
Income	327,342	360,693
Expenditure	328,700	364,713
Surplus/(Deficit) for the year	(1,358)	(4,020)
(Deficit) brought forward	(4,020)	0
(Deficit) carried forward	(5,378)	(4,020)

Ballymena Borough Council provides a range of administrative support services to the North East Partnership Joint Committee under a Service Level Agreement. The Joint Committee was established in 2010 and will implement projects for the Interreg IVA cross-border programme.

Joint Committee income and expenditure for the year was as follows

	2010/11	2009/10
	£	£
Income	102,785	
Expenditure	102,785	
Surplus/(Deficit) for the year	0	0
Surplus brought forward	0	0
Surplus carried forward	0	0

Ballymena Borough Council made a contribution of £2,500 to the group during the year.

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

29 First-time adoption of IFRS

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

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

The Council has applied the IFRS 1 First-time Adoption of International Financial Reporting Standards in preparing these first IFRS compliant financial statements, except in cases where interpretations or adaptations to fit the public sector, have been prescribed by the Code of Practice on Local Authority Accounting (The Code). Material differences between amounts presented under the SORP 2009 and the IFRS-based Code are explained below.

29.1 Post Employment Benefits

The Northern Ireland Local Government Officer's Superannuation Scheme (NILGOS) was previously accounted for as if it were a defined contribution scheme. Under the Code this is no longer the case and Councils are required to account for their pension plans on a defined benefit basis.

Councils are therefore required to recognise their defined benefit obligation and the fair value of the plan assets attributed to them on their opening IFRS balance sheet (1 April 2009).

Regulations require the charge to the District Fund to be based on retirement benefits payments and contributions to pension funds which are payable for that financial year.

Since the defined benefit obligation is greater than the plan assets, a net pension liability is included in the balance sheet.

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

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

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

Opening 1 April 2009 Balance Sheet

	2009/10 Statements	Adjustments Made
	£	£
Net Pension Liability	251,863	8,392,137
Pension Reserve	(251,863)	(8,392,137)

31 March 2010 Balance Sheet

	2009/10 Statements	Adjustments Made
	£	£
Net Pension Liability	312,926	20,273,104
Pension Reserve	(312,926)	(20,273,104)

2009/10 Comprehensive Income and Expenditure Statement

	2009/10 Statements	Adjustments Made
	£	£
Leisure and Recreational Services	7,344,069	187,520
Environmental Services	6,943,393	116,425
DRM and Corporate Management	1,413,171	5,392
Other Services	924,960	(2,478)
Financing and Investment Income and Expenditure [<i>net of pensions interest cost and return on pension plan assets</i>]	1,392,979	693,000
Other Comprehensive (Income) and Expenditure [<i>Actuarial gains/(losses) on pension assets and liabilities (net amount)</i>]	0	(11,138,000)

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

29 2 Government Grants

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

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

- A The balance on the Government Grants Deferred Account at 31 March 2009 has been transferred to the Capital Adjustment Account in the opening 1 April 2009 balance sheet

- B Portions of government grants deferred were previously recognised as income in 2009/10, these have been removed from the Comprehensive Income and Expenditure Statement in the comparative figures
- C A grant was received in 2009/10 but not used Previously, no income was recognised in respect of this grant, which was shown in the Government Grants Deferred Account within the liabilities section of the balance sheet Following the change in accounting policy the grant has been recognised in full, and transferred to the Capital Grants Unapplied Account within the reserves section of the balance sheet

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

Opening 1 April 2009 Balance Sheet

	2009/10 Statements	Adjustments Made
	£	£
Government Grants Deferred Account	12,430,940	(12,430,940)
Capital Adjustment Account	29,929,485	12,104,611

31 March 2010 Balance Sheet

	2009/10 Statements	Adjustments Made
	£	£
Government Grants Deferred Account	12,548,694	(12,548,694)
Capital Adjustment Account	31,337,755	11,648,431
Capital Grants Unapplied Account	0	553,659

2009/10 Comprehensive Income and Expenditure Statement

	2009/10 Statements	Adjustments Made
	£	£
Leisure and Recreational Services	7,344,069	(565,431)
Environmental Services	6,943,393	0
Taxation & Non-Specific Grant Income	0	0

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

29.3 Short Term Accumulating Absences

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

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

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

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

Opening 1 April 2009 Balance Sheet

	2009/10 Statements	Adjustments Made
	£	£
Short Term Creditors	(1,997,971)	(209,316)
Accumulated Absences Account	0	209,316

31 March 2010 Balance Sheet

	2009/10 Statements	Adjustments Made
	£	£
Short Term Creditors	(1,897,247)	(177,502)
Consolidated Group Creditor	0	(588,830)
Accumulated Absences Account	0	177,502

2009/10 Comprehensive Income and Expenditure Statement

	2009/10 Statements	Adjustments Made
	£	£
Leisure and Recreational Services	7,344,069	10,462
Environmental Services	6,943,393	(4,861)
DRM and Corporate Management	1,413,171	5,757
Other Services	924,960	166,144

29.4 Leases

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

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

There were no changes made to the 2009/10 accounts in relation to leases.

BALLYMENA BOROUGH COUNCIL
Financial Statements
FOR THE YEAR ENDED 31 MARCH 2011

Accounts Authorised for the Issue Certificate

In accordance with International Accounting Standard (IAS 10) this Statement of Accounts which contains a number of material amendments from the Accounts approved on 29th June 2011 are at today's date hereby authorised for issue. Any material amendments will be explained and reported in accordance with Regulation 12 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006

IAS 10 sets out

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

Dr Renewal & Repairs Fund	£1,848,388
Cr Capital Adjustment Account	£1,848,388
Dr Expenditure - ARC21	£127,482
Cr Creditors	£127,482

Signed


Chief Financial Officer

Date

27 10 11