

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

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Explanatory Foreword

Introduction

The Council's financial performance for the year ended 31 March 2008 is as set out in the District Fund - Income and Expenditure Account and Balance Sheet.

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (SORP) and the Department of the Environment Accounts Direction, Circular LG 1/05/08 dated 06 March 2008. It is the purpose of this foreword to explain the financial facts in relation to the Council. Comparative figures have been re-stated to take account of changes in accounting treatment as a result of the SORP.

This Statement of Accounts explains Ballymena Borough Council's finances during the financial year 2007/08 and its financial position at the end of that year. It follows approved accounting standards and is necessarily technical in parts.

Group Accounts

The 2006 SORP requires local authorities to consider all their interests and to prepare a full set of group financial statements where they have material interests in subsidiaries, associates or joint ventures. District council does not have material interests in such bodies and accordingly are not required to prepare financial statements.

Financial Report

For the year ended 31 March 2008 the Council increased its District Fund reserve by £1,281k to £1,885k. From this Reserve the Council has committed £131k under the Sports Grants and Miscellaneous Grant Schemes. In addition the Council may have a contingent liability associated with the Single Status Review. As the Council is not in a position to reliably estimate the monetary amount, that may be payable, then no provision for same has been made. The total net expenditure reported in the District Fund - Income and Expenditure Account is £15.0m and includes allocations of £500k to the Capital Fund and £434k to provide for repayment of short-term loans.

Expenditure on capital projects during the year amounted to £8.1m, the most significant spend was on the new Museum, Civic and Arts Centre £6.5m and Ahoghill new Community Centre £0.3m.

Landfill closure costs are estimated at £1.7m and this amount has been placed on deposit to cover these costs.

Financial Position

The Council has reported a surplus of £1,280,461 for the year ended 31 March 2008. 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	15,028,977	15,306,702	(277,725)
<u>Financed by:</u>			
General Grant	(1,144,706)	(1,014,963)	(129,743)
District Rates	<u>(15,164,732)</u>	<u>(14,291,739)</u>	<u>(872,993)</u>
(Surplus) / Deficit	<u>(1,280,461)</u>	-	<u>(1,280,461)</u>

Current Borrowing Facilities

The table below sets out the Councils main external borrowing position at 31 March 2008 with a comparison against the position at 31 March 2007: -

	<u>2007/08</u>	<u>2006/07</u>
	£'000	£'000
Short Term Borrowing	11,514	15,002
Long Term Borrowing	<u>18,795</u>	<u>19,024</u>
Total External Borrowing	<u>30,309</u>	<u>34,026</u>

Short Term Borrowing has decreased during the year due to proceeds of Capital Sales. This borrowing will continue to be replaced by proceeds of Capital Sales and Long Term borrowing in 2008/09.

Certificate of the Chief Financial Officer

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2008 on pages 17 to 46 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 21 to 27.
- (b) in my opinion the Statement of Accounts presents fairly 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

.....
Date

Council Approval of Statement of Accounts

These accounts were approved by resolution of the Finance, Estate and ICT Committee on 25 June 2008.

.....
Chairman

.....
Date

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

The Council's Responsibilities

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

Under Regulation 5 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 the Council, or a Committee, is required by resolution, to approve the accounts. These accounts were approved by Finance, Estate and ICT Committee on 25 June 2008.

The Chief Financial Officer's Responsibilities

Under Regulations 4 (1) and (2) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006, the Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts in the form directed by the Department of the Environment.

The accounts must present fairly 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: A Statement of Recommended Practice (SORP) as amended and augmented from time to time.
- follow relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis.
- make judgements and estimates that are reasonable and prudent.

The Chief Financial Officer is also required to:

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

Annual Governance Statement 2007/2008

Scope of responsibility

Each district 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, efficiency and effectively. Each district 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, district councils are responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

District councils shall prepare an Annual Governance Statement which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government and which is in full compliance with the Framework for the year commencing 1 April 2009*. Furthermore areas in which the Council has applied Governance arrangements during 2007/08 are also highlighted below. This statement explains how the district council is progressing towards this and also meets the requirements of Regulation 2A of the Local Government Accounts and Audit (Amendment) Regulations (Northern Ireland 2006) in relation to the publication of a statement on internal control.

The purpose of the governance framework

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

policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

In 2007 CIPFA withdrew its guidance relating to Statements on Internal Control with the publication of the joint CIPFA/SOLACE “Delivering Good Governance: Framework”. This requires the publication of an Annual Governance Statement rather than a Statement on Internal Control. Local authorities in England have been preparing the less comprehensive Statement on Internal Control for several years. The Department recognizes that district councils had been preparing to include with their accounts, for the first time in 2007-2008, a Statement on Internal Control. As a result of the revised proper practice requirements, district councils are required to prepare an Annual Governance Statement in 2007-2008, without having previously completed a Statement on Internal Control.

Ballymena Borough Council intend to comply with the CIPFA / SOLACE Framework for the year commencing 1 April 2009.

THE GOVERNANCE FRAMEWORK

Describe the key elements of the systems and processes that comprise the authority’s governance arrangements including arrangements for:

- identifying and communicating the council’s vision of its purpose and intended outcomes for citizens and service users

The Council’s last Corporate Strategy was called “Vision 2006” and covered the period 2004-2006. A new corporate document is currently being prepared and will shape the direction of the Council up to RPA.

The document has been delayed awaiting: -

- **The outcome of the Efficiency Review**
- **The Announcement regarding RPA**
- **The appointment of a new Chief Executive**

This document will be subject to public consultation and will be widely circulated to a range of public, business and community stakeholders. The Council also intends to publish the finalised strategy on its website.

- 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. A review of partnerships has taken place through internal audit function in 2007/08

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, 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 performance reports, which are submitted to the relevant Committees. These reports do not have a standard format at present but typically include measurement of outcomes against targets, performance indicator statistics and customer satisfaction information. The aim is to extend and co-ordinate this reporting mechanism throughout departments as appropriate. 'Best Value Performance Indicators' are submitted annually to DOE and are calculated according to appropriate guidance. Councillor – officer engagement is an important element in ensuring that services delivered meet the requirement of ratepayers.

A complaints system is in operation and is resourced by a part-time member of staff. It records complaints, comments and suggestions and has an inbuilt escalation of complaints and reporting mechanism to Senior Management.

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.

- 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 June 2007). All Councillors and Directors are issued with Standing Orders.

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

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

The Council has a Risk Management Policy, which requires identification of both Corporate and Departmental risks, assessment of impact and likelihood of those risks and the mitigating controls in place. The Council has Corporate and Departmental Risk Registers in place and these were reviewed on 1 occasion during the year. All heads of department have submitted an annual Assurance Statement regarding the operation of internal controls, in respect of their department, to the Acting Chief Executive.

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

The Audit Sub-Committee undertakes all the core functions of an audit committee as identified in CIPFA's Audit Committees Practical Guidance for Local Authorities, except in one area. The Audit Sub-Committee has not reviewed the Governance Statement for 2007/08. This will happen from the 2008/09 financial year onwards.

The Audit Committee meet on a quarterly basis and report to Council by way of formal minutes of their meetings. The committee consists of 12 elected members

- ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure 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 annual basis. Fraud awareness training is provided to relevant staff.

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

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

- 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. It identifies any training requirements in conjunction with line managers and directors. Members Training is provided through attendance at Conferences and Training. In addition relevant training is provided as appropriate eg Audit Sub-Committee members attended training on “Best Practice in Audit Committees in February 2008.

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

Communication is important to ensure the community in which the authority exists and other stakeholders are fully aware of Council’s aims and objectives. The annual In Focus magazine is a publication to ratepayers to inform them of Council membership, new initiatives and Capital and Revenue Projects. It details how money is spent and includes

satisfaction levels with Council Services. Councillors and officers sit on many partnerships and community groups throughout the borough. A significant amount of resource has been used to create highly developed networks that permit communication and assist Council to achieve their vision. An Annual Rates leaflet is distributed to ratepayers to let them know how their money is being spent.

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

District councils have 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 district council who have responsibility for the development and maintenance of the governance environment, the Internal Audit's Assurance Statement, 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 Governance Framework within the Council is not fully complete and co-ordinated. This process will progress during the course of 2008/09 to ensure compliance for the year commencing 1 April 2009.

An Audit Sub-Committee is in place. They have Terms of Reference. Members attended Audit Committee Training in February 2008. The Committee meets 4 times per year. The internal and external auditors attend meetings as appropriate. The Audit Sub-Committee approve a risk based audit plan and consider the findings of internal audit reviews and external audit Management letters.

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

The Audit Sub-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 were compiled during the course of 2007/08 and Action Plans have been formulated for the 5 highest-ranking risks in terms of likelihood and impact for each service. The Action Plans will be reviewed in November 2008.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework and plan to address weaknesses and ensure continuous improvement of the system is in place.

Significant governance issues

- 1 Prepare Corporate Strategy for 2008-2011.
- 2 Present performance reports to Council in a standard format including agreed performance indicators.
- 3 Update Financial Control Code and complete missing sections
- 4 Update Terms of Reference of the Audit Sub-Committee
- 5 Use an external provider to audit the risk management procedures and risk registers in existence.
- 6 Extend the risk management procedures to operational level.
- 7 Training of Directors and Members.
- 8 Ensuring compliance of 3rd party organisations with governance standards.
- 9 Follow-up Internal Audit reports with less than substantial assurance to ensure that recommendations have been implemented

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

Signed:

On behalf of the committee of the district council or the members of the body meeting as a whole and by the Chief Executive

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 2008 under the Local Government (Northern Ireland) Order 2005. The statement of accounts comprises the Income and Expenditure Account, Statement of Movement on District Fund Balance, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement. The statement of accounts has been prepared under the accounting policies set out within them.

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

Respective responsibilities of the Chief Financial Officer and the independent auditor

The Chief Financial Officer's responsibilities for preparing the statement of accounts in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007 are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the statement of accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the statement of accounts present fairly, in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007, the financial position of the local government body and its income and expenditure for the year.

I review whether the Annual Governance Statement reflects compliance with the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007. I report if it does not comply with proper practices specified by the Department of the Environment or if the statement is misleading or inconsistent with other information I am aware of from my audit. I am not required to consider, nor have I considered, whether the Annual Governance Statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the local government body's corporate governance procedures or its risk and control procedures.

I read other information published with the statement of accounts and consider whether it is consistent with the audited statement of accounts. This other information comprises only the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the statement of accounts. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Local Government (Northern Ireland) Order 2005, the Local Government Code of Audit Practice issued by the Chief Local Government Auditor and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the statement of accounts. It also includes an assessment of the significant estimates and judgments made by the local government body in the preparation of the statement of accounts, and of whether the accounting policies are appropriate to the local government body's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the statement of accounts is free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the statement of accounts.

Opinion

In my opinion the statement of accounts presents fairly, in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007, the financial position of Ballymena Borough Council as at 31 March 2008 and its income and expenditure for the year then ended.

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.

Signature

**Stephen Knox
Local Government Auditor
106 University Street
Belfast
BT7 1EU**

October 2008

SCHEDULE 1

District Fund-Income and Expenditure Account for the Year to 31 March 2008

	Notes	2007/2008			2006/2007
		Gross Expenditure £	Income £	Net Expenditure £	Net Expenditure £
Services Expenditure					
Leisure and Recreational Services		8,374,512	1,718,879	6,655,632	6,397,102
Environmental Services		7,709,205	1,610,626	6,098,579	4,092,187
DRM and Corporate Management		1,337,114	126,665	1,210,449	1,188,259
Other Services		1,115,735	573,350	542,386	947,078
Continuing Operations		18,536,565	4,029,520	14,507,046	12,624,626
Acquired Operations					
Discontinued Operations				-	
Exceptional items not included in the cost of specific services				-	
Net Cost of Services		18,536,565	4,029,520	14,507,046	12,624,626
Gain or loss on disposal of fixed assets		4,741		4,741	11,550
Surplus/(Deficit) of trading or other operations				-	0
Interest Payable on Borrowings	6a	1,853,842		1,853,842	1,644,744
Interest and Investment Income	6b		133,189	(133,189)	(87,352)
Pensions interest cost and expected return on pensions assets				-	0
Extraordinary Items				-	0
Net Operating Expenditure		20,395,149	4,162,709	16,232,440	14,193,568
Income from General Grant and District Rates					
General Grant			1,144,706	(1,144,706)	(1,085,387)
District Rates	8		15,164,732	(15,164,732)	(12,444,709)
(SURPLUS)/DEFICIT FOR THE YEAR		20,395,149	20,472,147	(76,998)	663,472

SCHEDULE 2

Statement of Movement on the District Fund Balance for the year ended 31 March 2008

	Notes	2007/2008 £	2006/2007 £
Surplus /(Deficit) on the District Fund-Income & Expenditure Account	3	76,998	(663,472)
Net additional amount required by statute and non-statutory proper practices to be debited or credited to the district Fund for the year	3	1,203,463	1,209,030
Movement on the District Fund Balance for the Year	3/24	1,280,462	545,558
District Fund Balance Brought Forward	24	604,076	58,518
District Fund Balance Carried Forward	24	1,884,538	604,076

Statement of Total Recognised Gains and Losses for the year ended 31 March 2008

	Notes	£	£
Surplus /(Deficit) on the District Fund-Income & Expenditure Account	3	76,998	(663,472)
Surplus /(Deficit) arising on revaluation of Fixed assets	24	505,283	4,966,077
Revaluation of pension reserve/provision	19/24	(4,563)	(120,639)
Repairs & Renewals Fund	24	123,350	55,116
Interest on Capital Receipts	24	48,921	0
<i>Any other gains and losses required to be included in The Statement of Total Recognised Gains and losses</i>			
Other		3,581	0
Total recognised gains and losses for the year (Change in Net Worth)		753,571	4,237,082*
Prior period adjustments made during the year			
Total Gains and losses recognised since last annual report (Change in net Worth)		753,571	4,237,082

* The comparative figures have been restated to reflect the movement of the Short-Term Loan Provision to Reserves, which adjusted the prior year net worth.

Ballymena Borough Council

Balance Sheet as at 31 March 2008

	Note	2007/2008	2006/2007
		£	£
FIXED ASSETS			
Tangible Fixed Assets			
Operational assets:			
Land & Buildings	10	51,942,931	52,020,733
Vehicles, plant, furniture & equipment	10	1,690,250	1,975,943
Community assets	10	108,156	108,156
Non-operational assets:			
Investment Properties	10	170,000	170,000
Assets under Construction	10	22,573,361	17,201,686
Surplus Assets held for Disposal			
Total Fixed Assets		<u>76,484,698</u>	<u>71,476,518</u>
Long term debtors	14	1,089,627	1,112,243
Total Long Term Assets		<u>1,089,627</u>	<u>1,112,243</u>
Current Assets			
Stock	13	161,170	144,521
Debtors	14	3,044,643	8,922,456
Short Term investments	15	1,933,418	3,725,710
Cash & Bank		5,160	3,536
		<u>5,144,391</u>	<u>12,796,222</u>
TOTAL ASSETS		<u>82,718,715</u>	<u>85,384,983</u>
Current Liabilities			
Borrowing repayable on demand or within 12 months	16	11,513,780	15,002,085
Creditors	16	1,794,865	4,372,634
Bank Overdraft		1,043,604	788,416
		<u>14,352,249</u>	<u>20,163,135</u>
Net current Liabilities		<u>(9,207,858)</u>	<u>(7,428,913)</u>
Total Assets less Current Liabilities		<u>68,366,467</u>	<u>65,221,848</u>
Long Term Liabilities			
Borrowing repayable within a period in excess of 12 months	17	(18,795,297)	(19,023,832)
Deferred Liabilities	18	(1,733,320)	(1,896,167)
Provisions	19	(336,735)	(296,838)
Government Grants Deferred	21	(12,288,492)	(9,545,958)
Total Assets less Total Liabilities		<u>35,212,623</u>	<u>34,459,052</u>
Reserves:			
Revaluation Reserve	24	-	-
Capital Adjustment Account	24	28,723,526	25,094,398
Renewal & Repairs Fund	24	1,759,683	2,090,935
Capital Fund	24	500,000	-
Usable Capital Receipts Reserve	24	919,944	5,692,481
Pension Reserve	24	(221,235)	(234,838)
Short-Term Loan Repayment Reserve	20/24	1,646,167	1,212,000
District Fund	24	1,884,538	604,076
Net Worth		<u>35,212,623</u>	<u>34,459,052</u>

Ballymena Borough Council

Ballymena Borough Council		2008		2007
Cashflow Statement for the Year Ended 31 March		£	£	£
Net cash inflow/(outflow) from operating activities	22		2,733,514	4,658,975
Returns on Investments and Servicing of Finance				
<i>Cash Outflows</i>				
Interest paid		(1,872,457)	(1,555,320)	
Interest element of finance lease rental payments		-	-	
<i>Cash Inflows</i>				
Interest received		305,460	142,469	
Net Cash Outflow from Returns on Investments and Servicing of Finance			(1,566,997)	(1,412,851)
<i>Capital Activities</i>				
<i>Cash Outflows</i>				
Purchase of Fixed Assets		(8,759,667)	(9,049,756)	
Purchase of Long Term Investments		-	-	
Other Capital Cash Payments		(454,601)	-	
<i>Cash Inflows</i>				
Sale of Fixed Assets		6,619,510	47,931	
Sale of Long Term Investments		-	-	
Other Capital cash receipts		-	-	
Capital Grants Received	23d	<u>3,099,225</u>	<u>3,566,012</u>	
Net Cash Outflow from Capital Expenditure			<u>504,468</u>	(5,435,813)
Net Cash Inflow/Outflow before financing			<u>1,670,984</u>	(2,189,689)
<i>Management of Liquid Resources</i>				
Net increase/decrease in short-term deposits		1,792,292	(2,938,902)	
Net increase/decrease in other liquid deposits		<u>-</u>	<u>-</u>	
			<u>1,792,292</u>	(2,938,902)
<i>Financing</i>				
<i>Cash Outflows</i>				
Repayment of amount borrowed		(12,935,840)	(9,001,988)	
Capital Element of Finance Lease Rental Payments		-	-	
<i>Cash Inflows</i>				
New Loans Raised	23b	9,219,000	14,500,000	
New short term Loans Raised		<u>-</u>	<u>-</u>	
Net Cash Inflow from Financing			<u>(3,716,840)</u>	5,498,012
Increase/(Decrease) in Cash and Cash equivalents	23a		<u>(253,564)</u>	<u>369,421</u>

Notes to the Financial Statements

1. Accounting Policies

1a) General Principles

The financial statements have been prepared under the historical cost convention, modified by the revaluation of land and buildings, and are in accordance with directions and guidance contained in the 'Code of Practice on Local Authority Accounting in the United Kingdom 2007: A Statement of Recommended Practice' (SORP) and in a form directed by the Department of the Environment in accordance with regulations 4 (1) and (2) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006. The general principles adopted in compiling and presenting the financial statements are those specified within the 2007 SORP. The 2007 SORP is based on approved accounting standards for the preparation of financial statements for the financial year beginning 1 April 2007. These financial statements comply with accounting standards issued or adopted by the Accounting Standards Board insofar as these are applicable to local government.

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

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

1b) Accounting Concepts

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

Relevance

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

Reliability

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

Comparability

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

Understandability

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

Materiality

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

Accruals

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

1c) Fixed Assets

i) Tangible Assets

From 1 April 2007 the Fixed Asset Restatement Account and the Capital Financing Account have been replaced by a Revaluation Reserve and a Capital Adjustment Account respectively. This is a change of accounting policy but has not required a prior year adjustment. This new requirement has been applied prospectively, and the 2006/07 comparative figures restated. The Revaluation Reserve at 31 March 2007 is shown as £nil. The balance on the Capital Adjustment Account is shown as the combined total of the old Fixed Asset Restatement Account and the old Capital Financing Account.

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

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

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

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

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

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

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

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

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

With any gain or loss on disposal of tangible assets, the disposal proceeds are credited to the District Fund and the net book value credited to fixed assets and debited to the District fund. In order to comply with statutory/proper practices restrictions on the use of capital receipts, if the asset disposed of was at carried at historical cost, then it is necessary to:

Reverse out the gain or loss credited or debited to the District Fund with an amount equal to the gain or loss on disposal of the tangible fixed asset, as follows:

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

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

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

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

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

- buildings, installations, and fittings are depreciated on their historic value over the estimated remaining life of the asset as advised by the valuer. Depending on the type of building, installation or fitting the maximum useful life will be in the range of 15 to 50 years
- plant, vehicles and equipment (including IT equipment) are depreciated on historic cost using a standard life of 7 years.

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

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

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

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

The District Fund should be:

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

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

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

1d) Debtors and Creditors

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

A general provision for doubtful debts is included in the financial statements at 5% of Building Control outstanding debts. This is in addition to the specific provision for those debts that are identifiable as potentially not fully collectable. Provisions in respect of bad debts have been estimated in accordance with recommended practice and past experience. Uncollectable debts are only written-off to the District Fund - Income and Expenditure Account after all recovery avenues open to the Council have been exhausted and the Council has formally approved the write off.

1e) Stocks

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

1f) Value Added Tax

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

1g) Provisions

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

1h) Overheads

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

1i) Pensions

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

Councils in Northern Ireland contribute to the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) scheme. It is a multi-employer defined benefit scheme, which is treated as a defined contribution scheme under Financial Reporting Standard 17: Retirement Benefits (FRS17). This scheme provides the relevant information within its own accounts. The Council provides further information on discretionary benefits awarded to employees. The Council's contribution rate is determined by NILGOSC's actuary every three years and is set to maintain the solvency of the fund. The Council's current contribution is 13%. At the last actuarial valuation, dated March 2004, the fund stood at 84%

1j) Post Balance Sheet Events

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

There are no material post balance sheet events to report in these financial statements at the date when statements were approved by Council.

1k) Foreign Currency Translation

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

1l) Landfill Allowances

The Landfill Allowances Scheme operates under the Landfill Allowances Scheme (Northern Ireland) Regulations 2005. Local Authorities are allocated annual target figures for the maximum amount of biodegradable municipal waste that can be sent to landfill but there are no tradable allowances and there are no financial penalties for 2007/08 on an individual district council for exceeding its target. It is not a 'cap and trade' scheme since landfill allowances are not tradable. For this reason, landfill allowances are not recognised as assets on the Balance Sheet.

2 Significance of the Statement of Movement on the District Fund Balance

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

3 Analysis of the Movement on the District Fund Balance

		2007/08	2007/08	2006/07	2006/07
	Notes	£	£	£	£
Surplus/(Deficit) for the year on the District Fund - Income and Expenditure Account			76,998		(663,472)
<i>Net additional amount required by statute and non-statutory proper practices to be debited or credited to the District Fund Balance for the year:</i>					
Transfer to Capital Adjustment Account:					
Landfill Closure costs			291,755		171,167
Deferred grants amortised in the year	21		(356,692)		(302,600)
Loans fund principal/depreciation adjustment:					
Depreciation charged in the year	10	2,631,266		2,532,393	
Intangible asset amortisation					
Loans fund principal repayments during the year		(435,841)		(501,988)	
Loan Debt Repaid		20,566		19,637	
	24		2,215,991		2,050,042
Transfers to/from earmarked reserves:					
Short-Term Loan Provision	20		(434,167)		(580,000)
Renewal and Repairs Fund					(50,446)
Capital Fund			(500,000)		
Pension Reserve	19/24		(18,166)		(90,683)
(Gain)/loss on disposal of fixed assets	24		4,741		11,550
Other					
Net adjustments to Income & Expenditure Account			1,203,463		1,209,030
Movement on the District Fund Balance for the year	24		1,280,462		545,558
District Fund Balance Brought Forward	24		604,076		58,518
District Fund Balance Carried Forward	24		1,884,538		604,076

4 Operating Expenses

- 4a) **Section 115** of the Local Government Act (Northern Ireland) 1972 enables District Councils to spend up to the aggregate of the product of 0.0596p in the pound on the rateable value of non-domestic hereditaments; and the product of a rate of 0.00082p in the pound on the rateable value of domestic hereditaments equivalent to £ 40,858 in 2007/08 (2006/07 £41,699) for the benefit of all the inhabitants in their district, or part of their district on activities not specifically authorised by other powers.

Expenditure amounted to £NIL in 2007/08 (2006/07: £NIL)

- 4b) **Section 115c Expenditure** as required by Article 41 of the Local Government (Miscellaneous Provisions) (Northern Ireland) Order 1992 requires Councils to maintain a separate record of its expenditure on publicity. This is analysed as follows:

	2007/08	2006/07
	£	£
Promoting tourism	21,210	13,276
Promoting leisure facilities	2,096	3,421
Community relations	1,280	1,412
Refuse collection	31,430	17,991
Other advertising	<u>117,568</u>	<u>136,961</u>
	<u>173,584</u>	<u>173,061</u>

- 4c) **External Audit Fees**

	2007/08	2006/07
	£	£
Local Government Audit	23,000	29,900

Included within the fees above are fees for grant claims and advice / consultation.

- 4d) **Leases**

Expenditure during the year on operating lease rentals was £149,087(2006/07 £136,176) and outstanding operating lease rentals at 31 March 2008 are as follows:

	2007/08	2006/07
	£	£
2007/08		87,521
2008/09	109,892	48,326
2009/10	<u>61,566</u>	
	<u>171,458</u>	<u>135,847</u>

5. Employee Costs and Members' Allowances

- 5a) **Staff Costs of Council excluding Group**

	2007/08	2006/07
	£	£
Salaries and wages	6,417,949	6,535,054
Employers National Insurance	472,940	490,043
Employers pension costs	697,991	604,959
	<u>7,588,880</u>	<u>7,630,056</u>

In addition, agency costs during the year amounted to £678,320 (2006/07: £494,745)

5b) Average Number of Employees - where FTE represents full time equivalent employees

	2007/08	2006/07
	FTE	FTE
Technical services	100	106.5
Leisure services	87	87
Other	<u>78</u>	<u>84.5</u>
	<u>265</u>	<u>278</u>
Full-time numbers employed	240	259
Part-time numbers employed	48	45

5c) Senior Employees' Remuneration

	2007/08	2006/07
	Number	Number
£50,001 to £60,000	3	3
£60,001 to £70,000	3	3
£70,001 to £80,000		
£80,001 to £90,000	–	–
	<u>6</u>	<u>6</u>

5d) Members' Allowances

During the year, Members' allowances (section 36) totalled £284,311 (2006/07: £214,516) and are as follows:

	2007/08	2006/07
	£	£
Basic Allowance	228,000	118,319
Attendance Allowance	6,754	65,431
Special Responsibility Allowances	28,200	16,082
Miscellaneous		
Employer Costs	<u>21,357</u>	<u>14,684</u>
	<u>284,311</u>	<u>214,516</u>

6a) Interest Payable and Similar Charges

	2007/08	2006/07
	£	£
GLF interest	1,089,726	1,118,135
S T loan interest	<u>764,117</u>	<u>526,609</u>
	<u>1,853,842</u>	<u>1,644,744</u>

6b) Interest and Investment Income

	2007/08	2006/07
	£	£
Current account interest	63,745	16,678
Short-term deposit interest	<u>69,444</u>	<u>70,674</u>
	<u>133,189</u>	<u>87,352</u>

7. Related Party Transactions

Financial Reporting Standard 8 Related Party Disclosures (FRS 8) requires the district council to disclose all material related party transactions arising during the year. Related parties or individuals that have the potential to control or influence the district council or be controlled or influenced by the district council. Disclosing these types of transactions in financial statements permits readers to assess the extent to which the district council might have constrained its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the district council.

The related party transactions identified in the year ended 31 March 2008 are as follows:

Community Associations / Other Bodies

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

	<u>2007/08</u>	<u>2006/07</u>
	£	£
Association of Local Authorities	14,152	13,520
Ballymena Citizens' Advice Bureau*	58,349	59,650
Causeway Coast & Glens	27,377	21,745
Lower Bann Partnership Ltd	-	5,000
North Eastern Education & Library Board		
- Rental of Premises	5,200	3,076
Arc 21 ≈	<u>1,413,206</u>	<u>31,752</u>
	<u>1,518,284</u>	<u>134,743</u>

* This body uses Council owned property free of charge

≈ Arc21 are now paid for disposal of municipal waste following closure of Ballymacvea Landfill Site in March 2007.

Group Committees

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

	<u>2007/08</u>	<u>2006/07</u>
N E Building Control Group	67,409	63,808
Northern Environmental Health Group	96,375	91,645
	<u>£163,784</u>	<u>£155,453</u>

In addition Council received a management fee of £11,500 (£11,200 in 2006/07) from North Eastern Building Control Group and £61,900 (£61,900 in 2006/07) from Northern Environmental Health Group.

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

	<u>2007/08</u>	<u>2006/07</u>
N E Building Control Group	8,410	4,560
Northern Environmental Health Group	<u>32,338</u>	<u>84,688</u>
	<u>40,748</u>	<u>89,248</u>

Council provided an administrative and accounting function to the Ballymena Local Strategic Partnership 07/08 under a Service Level Agreement. The amount received for this service is as below:

	<u>2007/08</u>	<u>2006/07</u>
Ballymena Local Strategic Partnership	37,661	52,551

The closing debtor at 31 March 2008 was £62,075

Ballymena North

The Council is involved in a multi-purpose community facility at Ballymena North. A number of Councillors are members of the Management Board. Council Contributions to the facility were as follows: -

	<u>2007/08</u>	<u>2006/07</u>
Contribution to Ballymena North	-	102,286

The closing grant debtor at 31 March 2008 was £217,396.

Council's Car Leasing Scheme

A number of employees participate in the Council's car leasing scheme. 4 of the Council Directors and 7 of the Council senior officers are party to this scheme. The aggregate cost to the Council of same in 2007/08, net of employees contribution of £25,614 was £29,018. The scheme is now closed to new employees.

8. District Rates

	2007/08	2006/07
	£	£
Current Year	14,685,739	12,444,709
Prior year finalisation (actual)	<u>478,993</u>	<u>-</u>
	<u>15,164,732</u>	<u>12,444,709</u>

9. (1) 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: -

a. Environmental Health Costs

The Northern Group Health Committee is made up of ten Councils. Group Income and Expenditure for the year 2007/08 were as follows: -

		<u>2007/08</u>		<u>2006/07</u>
		£		£
Total Group Income		2,213,723		2,021,155
Total Group Expenditure	Salaries 1,248,861		1,151,104	
	Other <u>1,060,080</u>		<u>865,027</u>	
		<u>2,308,941</u>		<u>2,016,131</u>
Surplus / (Loss) for the year		(95,218)		5,024
Surplus Brought Forward		<u>433,555</u>		<u>428,531</u>
Surplus Carried Forward		<u>338,337</u>		<u>433,555</u>

The Council made contributions of £96,375 to the Group during the 2007/08 year (£91,645 during the 2006/07 year)

b. Building Regulation Costs

The North Eastern Group Building Control Committee is made up of six Councils. Group Income and Expenditure for the year 2007/08 were as follows: -

		<u>2007/08</u>		<u>2006/07</u>
		£		£
Total Group Income		393,236		298,383
Total Group Expenditure	Salaries	220,844	172,884	
	Travel	6,270	6,082	
	Other	<u>117,372</u>	<u>98,975</u>	
		<u>344,486</u>		<u>277,941</u>
Surplus / (Loss) for the year		48,750		20,442
Surplus Brought Forward		<u>32,784</u>		<u>12,342</u>
Surplus Carried Forward		<u>81,534</u>		<u>32,784</u>

The Council made contributions of £67,409 to the Group during the 2007/08 year (£63,808 during the 2006/07 year)

9. (2) PARTNERSHIPS

Ballymena Borough Council provides a range of administrative support services to the North East Partnership under a Service Level Agreement. The Partnership facilitates sustainable development of the North East sub-region of N Ireland. The Partnership has two strands; Strand 1 – Local Government Sector – made up of 8 subscribing District Councils, Strand 2 – Social Partners – comprises representation from the community sector, voluntary sector, industry, rural development, etc

Unaudited Partnership income and expenditure for the year 2007/08 were as follows:

	<u>2007/08</u>	<u>2006/07</u>
Income	235,021	197,292
Expenditure	<u>226,744</u>	<u>198,329</u>
Surplus / (Loss) for the year	8,277	(1,037)
Surplus brought forward	<u>5,610</u>	<u>6,647</u>
Surplus carried forward	13,887	5,610

The Council made contributions of £3,731 to the group during the 2007/08 year (£2,644 during the 2006/07 year).

The closing debtor at 31 March 2008 was £ 131,197.

10. Fixed Assets

11. Capital Expenditure

	Note	2007/08 £	2006/07 £
Expenditure			
Land and buildings		1,301,681	167,804
Major works		6,652,743	9,543,687
Vehicles, plant, equipment and other		<u>175,826</u>	<u>78,692</u>
	10	<u>8,130,250</u>	<u>9,790,183</u>
Financed By			
Borrowings:			
New Loans		219,000	-
S T Loans (repaid) / raised	23c	(3,500,000)	4,750,000
Grants receivable	21	3,099,225	3,566,012
Sale of fixed assets	24	<u>5,800,000</u>	<u>-</u>
		<u>5,618,225</u>	<u>8,316,012</u>
Surplus/(Deficit)		(2,512,025)	(1,474,171)
Balance at 1 April 2007		<u>(2,696,538)</u>	<u>(1,222,367)</u>
At 31 March 2008		<u>(5,208,563)</u>	<u>(2,696,538)</u>

The financing of capital expenditure has been completed on an accruals basis. The Council plans to finance this deficit by further sale of Fixed Assets and drawing down GLF Loans.

12. Future Capital Commitments

The Council has future capital commitments as described below.

Expenditure approved and contracted for £682k. £302k is for refurbishment at Newferry Slipway. Expenditure approved but not contracted for £836k. £280k of this relates to upgrading of pitches at the Showgrounds and £211k for replacement of a number of vehicles and plant and equipment.

13. Stock

	2007/08 £	2006/07 £
Garage	46,120	53,416
Bins	61,459	37,312
Fuel	3,244	2,773
Trading Outlets	28,772	26,241
Stationery	20,442	23,807
Other	<u>1,133</u>	<u>972</u>
Total	<u>161,170</u>	<u>144,521</u>

14. Debtors

	2007/08	2006/07
	£	£
a) Long Term Debtors: amounts falling due in more than one year		
Employee car loans	834	2,883
NIHE	<u>1,088,793</u>	<u>1,109,359</u>
	<u>1,089,627</u>	<u>1,112,242</u>
b) Debtors: amounts falling due in less than one year		
Government Departments	1,577,942	546,464
Other Councils	218,393	333,887
Value Added Tax	605,085	735,533
Other	<u>687,093</u>	<u>7371,175</u>
	<u>3,088,513</u>	<u>8,987,059</u>
less: provision for doubtful debts	<u>(43,871)</u>	<u>(64,602)</u>
	<u>3,044,642</u>	<u>8,922,457</u>
Total debtors	<u>4,134,269</u>	<u>10,034,699</u>

15. Short-term Investments

	2007/08	2006/07
	£	£
Deposit for Landfill Closure	1,759,683	2,090,935
Call Deposit Account	<u>173,735</u>	<u>1,634,775</u>
Totals	<u>1,933,418</u>	<u>3,725,710</u>

16. Creditors

	2007/08	2006/07
	£	£
Amounts falling due in less than one year		
Government Departments	511,118	494,508
Other Councils	48,822	129,391
Other	<u>1,234,925</u>	<u>3,748,735</u>
	<u>1,794,865</u>	<u>4,372,634</u>
Borrowing re-payable within one year	11,513,780	15,002,085
Total creditors	<u>13,308,645</u>	<u>19,374,719</u>

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

	2007/08	2006/07
	£	£
Between 1 and 2 years	592,285	547,285
Between 2 and 5 years	1,698,671	1,627,239
Between 5 and 10 years	3,077,404	2,326,062
In more than 10 years	<u>13,426,937</u>	<u>14,523,246</u>
Government Loans Fund	<u>18,795,297</u>	<u>19,023,832</u>

Interest rates on Government Loans range between 3.98% and 9.5%.

18. Landfill Provision

	2007/08	2006/07
	£	£
Between 1 and 5 years	606,639	739,797
In more than 5 years	<u>1,126,681</u>	<u>1,156,370</u>
	<u>1,733,320</u>	<u>1,896,167</u>

This represents the liability for closure and aftercare costs of Ballymacvea Landfill Site

Movements on this provision are as follows:

	<u>2007/08</u>	<u>2006/07</u>
Opening Balance	1,896,167	2,000,000
Reduction due to applying discount in line with FRS12		(103,833)
Expenditure	(454,601)	
Increase in provision	<u>291,754</u>	
	<u>1,733,320</u>	<u>1,896,167</u>

This provision is fully funded with matching monies in the Renewals and Repairs Fund.

19. Other Provisions

Pension Provision

The Council's pension provision, which is an estimated liability in respect of discretionary payments awarded to employees granted early retirement. This pension provision is matched in the balance sheet by a reserve of the same amount.

Movements on this provision are as follows:

	2007/08	2006/07
	£	£
Opening balance	234,838	204,882
Less: payments to NILGOSC	18,166	90,683
Add:		
Revaluation (note 23) amounts arising during the year	4,563	120,639
	<u>221,235</u>	<u>234,838</u>

Insurance Provision

The Council continues to cover a section of insurance liability by self-insuring. The insurance provision at year-end is as follows:

	2007/08	2006/07
	£	£
Insurance Provision	<u>115,500</u>	<u>62,000</u>
Total Provisions	<u>336,735</u>	<u>296,838</u>

20. Short-Term Loan Repayment Provision

This is the Council's short-term loan repayment provision.

Short-Term Loan Repayment Provision

	2007/08	2006/07
	£	£
Opening balance	1,212,000	632,000
Charge for year to District Fund	434,167	580,000
	<u>1,646,167</u>	<u>1,212,000</u>

At 31 March 2008 the Council had £11m of short-term loans, which are usually renewed on an annual basis. A loan repayment provision is being established on the assumption that loan debt will be cleared over a maximum of 25 year period from the date the loans were taken out. At the year-end matching monies in a bank account were not in place.

21. Deferred Grants

	2006/07	2005/06
	£	£
Opening balance	9,545,958	6,282,546
Add: new grants received (note 23)	3,099,225	3,566,012
Less: amounts released to the District Fund - Income and Expenditure Account (note 3)	356,691	302,600
	<u>12,288,492</u>	<u>9,545,958</u>

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

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

	2008	2007
	£	£
SURPLUS/(DEFICIT) FOR THE YEAR	76,998	(663,472)
<u>Non Cash Transactions</u>		
Depreciation	2,631,266	2,532,393
Depreciation for deferred asset	291,755	171,167
Deferred Grants amortised in year	(356,692)	(302,600)
Contributions to Other Reserves/Provisions	<u>(18,166)</u>	<u>(90,683)</u>
	2,663,664	2,310,277
<u>Adjustment for items reported seperately on Cashflow</u>		
Interest and Investment Income (Ordinary interest received)	(133,189)	(87,352)
Interest payable and similar charges including gains or losses on the repurchase or early settlement of borrowings	1,853,842	1,644,744
Interest element of finance lease rental payments	0	-
Gain or loss on the disposal of fixed assets	4,741	11,550
<u>Items on an Accrual Basis</u>		
(Increase)/Decrease in Stock	(16,650)	(2,210)
(Increase)/Decrease in Debtors	193,879	(37,155)
Increase/(Decrease) in Creditors	<u>(1,909,772)</u>	<u>1,482,593</u>
Net Cash Inflow/(outflow) from operating activities	<u>2,733,514</u>	<u>4,658,975</u>

Note 24: MOVEMENT ON RESERVES

	<i>Note 24a</i> Capital Adjustment Account	Note 24b Capital Receipts Reserve	Note 24c Capital Fund	Note 24d Renewals & Repairs Fund	Note 20/24e Short-Term Loan Repayment Reserve	Note 24f Revaluation Reserve	Note 19 Pensions Reserve	General Fund	TOTAL
	£	£	£	£	£	£	£	£	£
Balance as at 01/04/07	25,094,399	5,692,481	0	2,090,935	1,212,000	0	(234,838)	604,076	34,459,053
Receipts		48,921		123,350				1,280,462	1,452,733
Provision	(291,755)		500,000		434,167				642,412
Revaluation						505,283	(4,563)		500,720
Capital Grants Released	356,692								356,692
Disposal of Fixed Assets/ Capital Sales	(474,418)	978,542				(505,283)			(1,159)
Payments	454,601			(454,601)			18,166		18,166
Loans Fund principal / depreciation adjustment	(2,215,992)								(2,215,992)
Capital Receipts used to finance capital expenditure	5,800,000	(5,800,000)							0
Total Movement on Reserves during year	<u>3,629,128</u>	<u>(4,772,537)</u>	<u>500,000</u>	<u>(331,251)</u>	<u>434,167</u>	<u>0</u>	<u>13,603</u>	<u>1,280,462</u>	<u>753,572</u>
Balance as at 31/03/08	<u>28,723,527</u>	<u>919,944</u>	<u>500,000</u>	<u>1,759,684</u>	<u>1,646,167</u>	<u>0</u>	<u>(221,235)</u>	<u>1,884,538</u>	35,212,625

24a Capital Adjustment Account

The Capital Adjustment Account replaced the Capital Financing Account on 1 April 2007. The balance on the former Fixed Asset Restatement Account and the balance on former Capital Financing Account were combined to form this new account. The purpose of this new 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.

24b Capital Receipts Reserve

This reserve has been renamed the Capital Receipts Reserve, having previously being named the Useable 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.

24c Capital Fund

This fund was established under Section 57 of the Local Government Act (NI) 1972 and has an approved limit of £1.2m. Currently there are no matching monies in place.

24d 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.

The Council has matching monies deposited in a bank account. £1.7m of the fund is required for Landfill Closure Costs.

24e Short-Term Loan Repayment Reserve

This fund was established to provide for the repayment of Short Term Loans. As per note 20.

24f Revaluation Reserve

This is a new Reserve and records any revaluation of Fixed Assets.

The Council may have a contingent liability associated with the Single Status Review. As the Council is not in the position to reliably estimate the monetary amount, if any, that may be payable, then no provision for same has been made.

Accounts Authorised for Issue

In accordance with Financial Reporting Standard 21 (FRS21) this Statement of Accounts which contains one material amendment and a number of minor amendments from the Accounts approved on 25 June 2008 are at today's date hereby authorised for issue.

FRS 21 sets out

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

Signed _____
Chief Financial Officer

Date _____

Material Amendment

In accordance with Regulation 12 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 a material amendment from the Accounts approved on 25 June 2008 is explained below:

- £394k has been credited to the District fund in respect of rates, the rates finalisation amount was only notified to Council, by Land and Property Services, on 30 September 2008. This was after the deadline for submission of Accounts to DOE (June 2008). This income is expected to be received on 01 November 2008.