



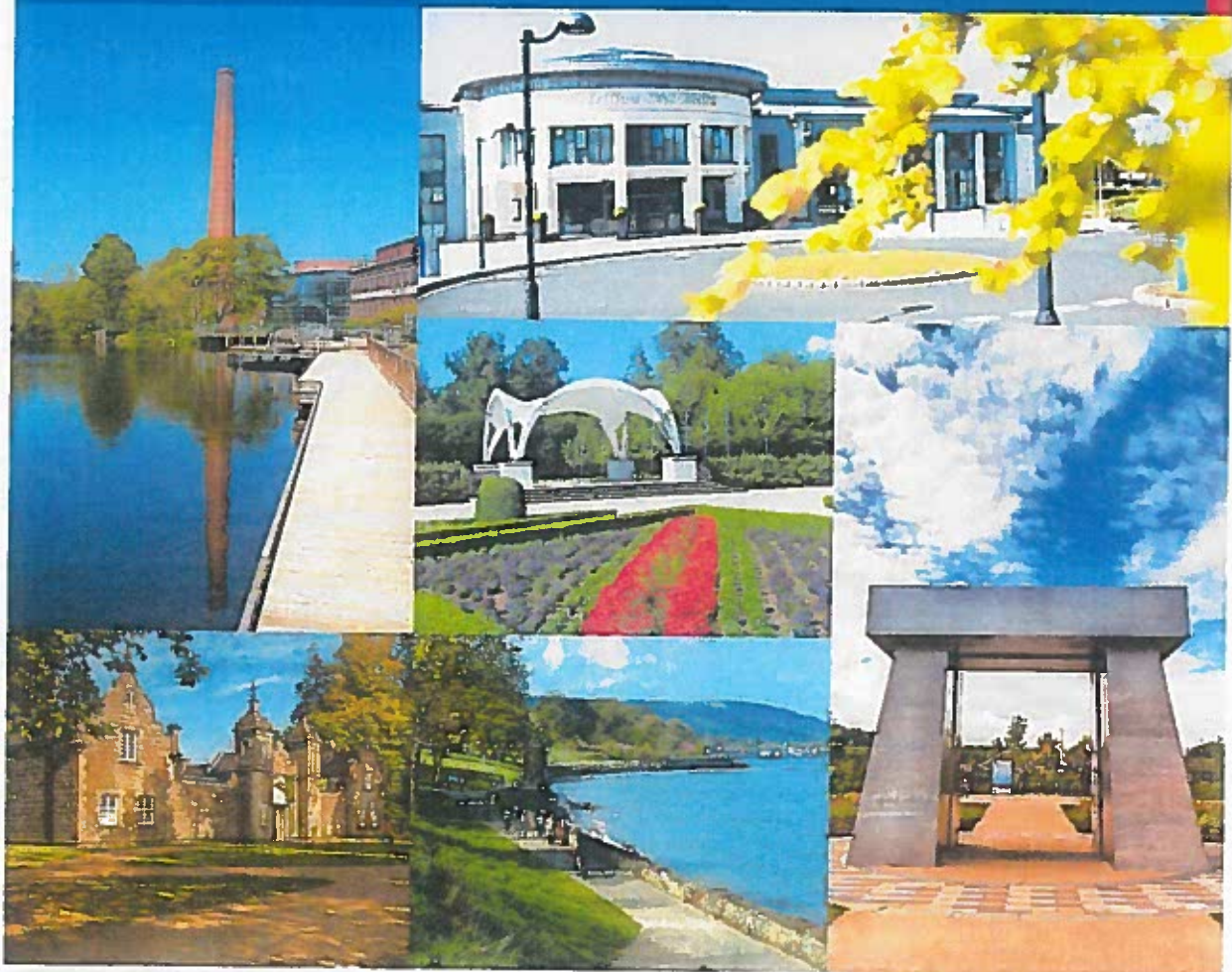
# Financial Statements

For the year ended

## March 2018



Antrim and  
Newtownabbey  
BOROUGH COUNCIL



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## **Narrative Report**

### **Introduction**

The Council's financial performance for the year ended 31 March 2018 is as set out in the Comprehensive Income and Expenditure Statement, the financial position as at the 31 March 2018 in the Balance Sheet and Cash Flow Statement.

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (the Code) and the Department for Communities Accounts Direction, Circular LG05/2018 dated 8 March 2018. It is the purpose of this report to explain, in an easily understandable way the financial facts in relation to the Council.

This Statement of Accounts follows approved accounting standards and is necessarily technical in parts. The report provides a brief explanation of the financial aspects of the Council's activities and draws attention to the main characteristics of the Council's financial position.

### **Financial Statements**

The financial statements report the Council's performance for the year and its financial position. The Council's financial performance is reported through the:

#### **The Movement in Reserves Statement**

This Statement, as set out on page 54, 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 General Fund Balance for Local Tax purposes. The 'Net Increase/Decrease before transfers to statutory and other reserves' line shows the statutory General 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 55, 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 Cash Flow Statement**

The Cash Flow Statement, as set out on page 57, shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

The Council's financial position is reported through the:

### **The Balance Sheet**

The Balance Sheet, as set out on page 56, 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'.

### **Expenditure and Funding Analysis**

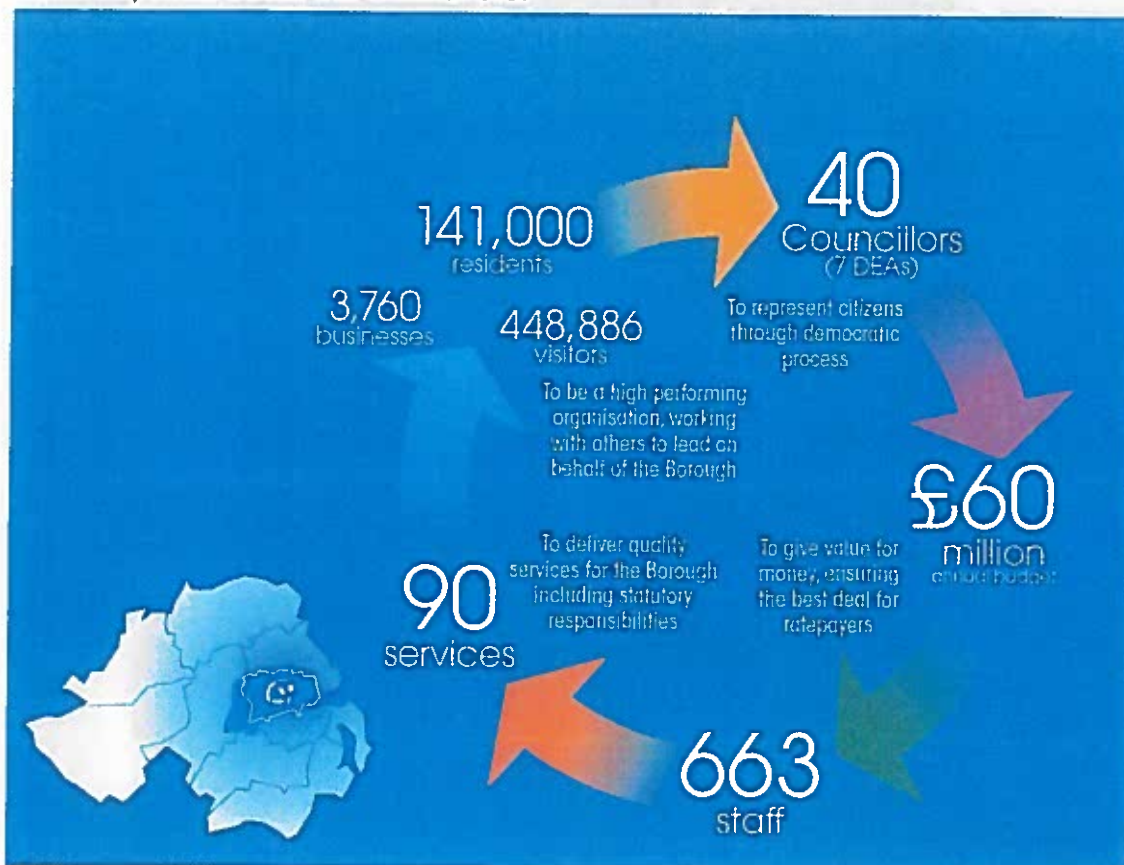
A new analysis has been introduced for 2017/18 – the Expenditure and Funding Analysis which accompanies the Comprehensive Income and Expenditure Statement. This is included as Note 2 (Page 77) in the Notes to the Accounts.

The objective of the Expenditure and Funding Analysis is to demonstrate to ratepayers how the funding available to the authority (ie district rates and government grants) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

## Organisational Overview and External Environment

Antrim and Newtownabbey Borough Council covers 274 square miles from the shores of Lough Neagh in the west to the shores of Belfast Lough in the east. Its northern boundary with Ballymena leads to the Glens of Antrim and the port of Larne, while to the south it borders Belfast and Lisburn and Mid Ulster Borough Council to the west. Whilst largely a rural Borough, there are a number of established settlements within the Antrim and Newtownabbey area including Newtownabbey, Glengormley, Ballyclare, Crumlin, Antrim, Randalstown and Toome.

Some key facts about the Council are:



As an organisation we aspire to meet and exceed the needs and aspirations of our people and be recognised for leadership and excellence both locally and beyond. Our ambitions are outlined in the Corporate Plan 2015-2030 which sets out how we work with our local communities and partners to achieve them and deliver our vision: **"A prosperous place; Inspired by our people; Driven by ambition."**

As an organisation we are ambitious for the Borough and aim to improve our environment and encourage and support economic growth. We want to engage and empower local communities and improve the lifestyles of our residents. We are working towards introducing new ways of connecting with, and listening to our residents, customers, businesses and visitors to ensure we are making a positive difference in the Borough. These ambitions are underpinned by a culture of performance and by ensuring the highest standards of governance.

The strategic priorities of the organisation are illustrated below:



### Community Plan

The Community Plan is a plan for the Council area, but it is not a Council plan. Community Planning is based on meaningful co-operation and collaboration across the Public Sector with a shared responsibility between partners to achieve outcomes.

The active involvement of central government Departments acknowledges the role of Community Planning in the delivery of the Programme for Government.

Our Partners include:

- Council for Catholic Maintained Schools
- Education Authority
- Invest Northern Ireland
- Libraries NI
- Housing Executive
- Health and Social Care Board
- Northern Health and Social Care Trust
- Northern Ireland Fire and Rescue Service
- Northern Regional College

- Public Health Agency
- Sport Northern Ireland
- Tourism Northern Ireland
- Police Service of Northern Ireland
- Ulster University
- Volunteer Now

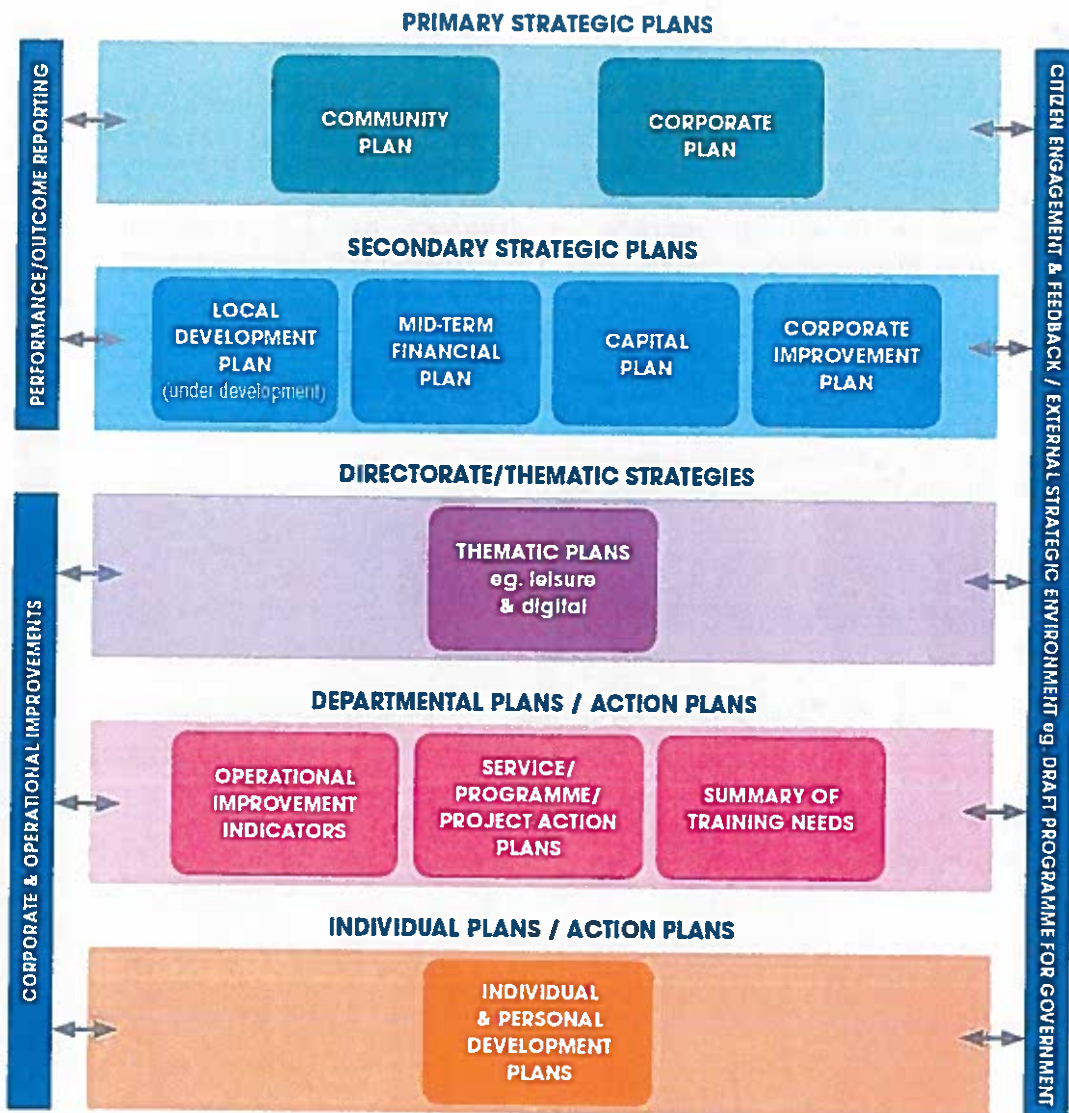
The Community Plan aims to improve the sustainable social, economic and environmental wellbeing of the Antrim and Newtownabbey area. A comprehensive engagement exercise with communities, partners and other stakeholders was undertaken in the development of the Community Plan at a Borough wide level and through our locality forums. This engagement process led to the development of five priority areas described as outcomes, on which we will focus the delivery of services over the life of the Plan to 2030. These are:



The Council's Corporate Plan and Community Plan are supported by a variety of financial, service and management plans which form part of our Strategic Performance Framework, which demonstrates how the Council's strategic objectives are cascaded throughout the organisation and takes into account the external environment.

These plans and strategies set out what we want to achieve, how we will deliver this and the resources we need to secure the desired outcome.

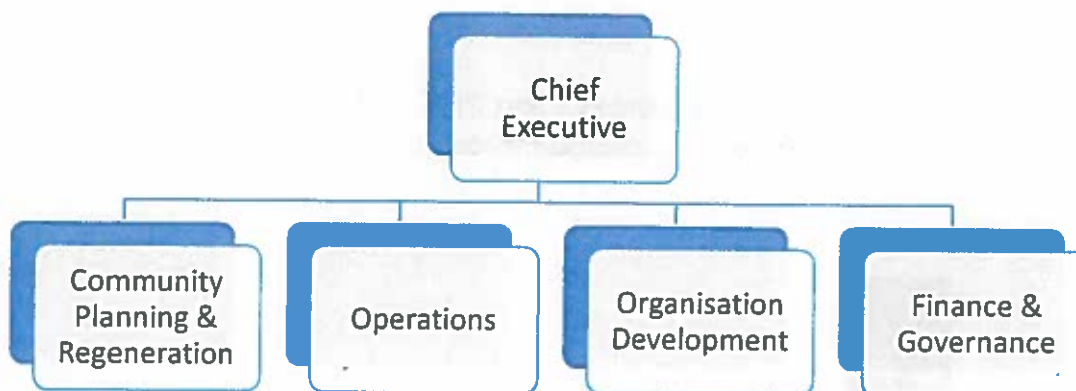
## STRATEGIC PERFORMANCE FRAMEWORK





## Organisational Model

Our Council services were delivered through five core Directorates during 2017/18, as illustrated below.



## Performance Report

The Council has arrangements in place to support performance management and improvement which drive and provide assurance that the Council are delivering on our vision, shared outcomes and improvement objectives. The Council recognises that an effective approach to performance will achieve a shared understanding across the organisation about what is to be accomplished and an approach to leading and developing people, which will ensure that it is achieved.

The Council has a statutory duty under Part 12 of the Local Government Act (Northern Ireland) 2014 to set improvement objectives and have arrangements in place to secure their achievement. A number of performance targets are also set by Central Government departments, in respect of job creation, planning and waste management.

During 2017/18 the Council set seven improvement objectives, detailed in the Corporate Improvement Plan 2017/18. ([www.antrimandnewtownabbey.gov.uk/performance](http://www.antrimandnewtownabbey.gov.uk/performance)).

These objectives were set with the desire to improve services such as leisure and recycling and a determination to continue to improve the cleanliness of the Borough and achieve excellence in terms of customer satisfaction. In addition, the Council endeavoured to increase staff attendance, encourage entrepreneurship and streamline processes and systems to ensure that suppliers received payments more promptly.

For 2017/18 the Council adopted a new approach to business planning which proved a more streamlined method of tracking and analysing performance and providing enhanced visibility. The Annual Business Plan 2017/18 contained 216 challenging actions and associated targets to be delivered during the year. In terms of progress the following was achieved:

### Annual Business Plan 2017-18 Performance against targets



Quarterly reporting on our performance to Council/Committee keeps the Corporate Leadership Team and Elected Members up to date on our performance. This is key to ensuring informed judgements are made about our services, to support effective decision making and to challenge performance. We produce an Annual Performance Report which summarises how we have performed across all services. This will be published by 30 September 2018.

The Council is a member of the Association of Public Sector Excellence (APSE), including its Performance Network, which is a public sector benchmarking organisation. This assists the Council in improving our ability to compare our performance against a wide range of services and activities.

Performance information is collected and published for all 16 services, this information can be found in the Corporate Improvement Plan 2018/19.

[www.antrimandnewtownabbey.gov.uk/performance](http://www.antrimandnewtownabbey.gov.uk/performance)

## Corporate Plan

The Corporate Plan 2015-2030 is a medium term strategy and sets out key priorities and measures under three themes, Place; People and Prosperity. These are underpinned by the Council's drive to optimise the performance of the organisation and the powers of Community Planning. Under these pillars, some of the Council achievements during 2017/18 are:

### PLACE

#### **Waste Management**

The Council's annual budget for waste operations is approximately £12 million and therefore forms a significant part of the domestic rates bill. During 2017/18 the Council achieved a household recycling rate of 53.1%\* compared to 47.6% in 2016/17. In 2017 we **ranked first out of 11 Councils** in terms of recycling performance.

Continuing to improve our recycling performance is not only important for the environment but also is financially advantageous. The costs of waste disposal per tonne are increasing due to inflationary pressures and a rise in landfill tax. Therefore, by increasing the usage of our direct recycling collection services e.g. kerbie boxes, blue and brown bins, and reducing the amount of municipal waste that is landfilled we will reduce costs. On average the cost of recycling is £50 per tonne, whereas to landfill a tonne of waste costs approximately £100.

In 2017/18 the Council landfilled 29,057\* tonnes of waste (2016/17: 33,311). This reduction in landfill results in **savings of approximately £212k**, when comparing against the previous year.

#### **Cleanliness of the Borough**

Ensuring the Borough is clean is critical if we are going to give people a sense of vibrancy and pride in their surroundings. However, changing lifestyles and social attitudes have led to an increase in litter levels meaning that keeping the Borough clean is becoming more challenging.

There is no doubt that littering and dog fouling impact upon people in every community. As a result, the Council invests over £2m annually to keep the Borough clean.

Resident satisfaction with the level of cleanliness of the roads and streets across the Borough was measured through a survey conducted in Borough Life in March 2018. This survey gave an overall resident satisfaction rating of 39% (2016/17: 62%).

Follow-up 'face-to-face' surveys were carried out in June 2018 across the Borough - Ballyclare, Glengormley, Antrim town, Antrim Loughshore, Jordanstown Loughshore and Templepatrick. These face-to-face surveys indicated a positive **satisfaction rating of 68%**.

The 'Cleaner Neighbourhoods' Report - renamed from 'Keep NI Beautiful' Benchmarking Report reported an **88% cleanliness rating** of the assessed paths, pavements and open spaces within the Borough. The cleanliness of our Borough continues to be a priority for the Council and is identified as an improvement objective for 2018/19.

### Planning

Performance against statutory planning targets for the last three years figures indicate positive results. The figures identified for 2017/18 are year-end figures from NISRA, which will be validated by 30 June 2018.

Measure of Success	2015-16	2016-17	2017-18*	Target for 2018-19
MAJOR - % of applications processed within 30 weeks	52.4%	15.4%	26.7%*	50%
MAJOR - Average processing times in weeks	28.2	73.6	40*	30
LOCAL - % of applications processed within 15 weeks	56.1%	65.9%	66.5%*	50%
LOCAL - Average processing times in weeks	14	12.6	12.1*	15
ENFORCEMENT - % of enforcement cases processed within 39 weeks	84.5%	94.3%	94.2%*	70%
ENFORCEMENT - Processing times in weeks for 70% of enforcement cases	19.5	14.2	12.2*	39 weeks

\*Unvalidated Data

### Parks and Open Spaces

The Council maintained 14 Green Flag accredited sites across the Borough and achieved a resident satisfaction rating of 72% (2016/17: 62%).

In addition the Council retained the ISO 140001 Standard and a Silver accreditation in the Environmental Management Benchmarking Survey.

## **PEOPLE**

### **Customer Service**

Our customers are at the heart of all the services we offer. Consequently we need to continuously strive to provide responsive and accessible services to improve customer satisfaction. In March 2018, a Resident Survey indicated a positive result i.e. '70% overall satisfaction with Council Services' (March 2017: 70%).

During 2017/18 we conducted 56 consultations and community engagement exercises with a total of 5,074 participating.

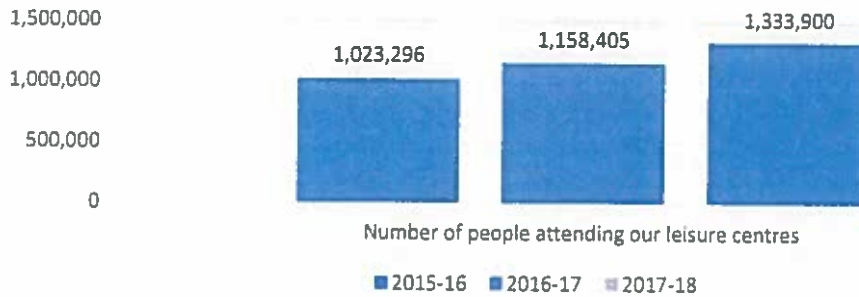
In total the Council offers 23 online services, with two additional services brought online during 2017/18, amassing a total of 106,718 online transactions, which is a significant increase on the previous year (2016/17: 72,011). Our social media followers have also increased during 2017/18 with 17,087 followers (2016/17: 8,111).

### **Leisure Services**

The Council recognises the valuable social, health and economic benefits that the provision of leisure facilities can create for our communities, alongside an improved quality of life. During 2017/18, the Council launched an innovative membership scheme and pricing policy, which has led to an increase in the number of people taking out leisure memberships and an increase in the number of people attending our leisure centres. Additionally it has resulted in an increase in income of £122,199 when comparing October - March 2017 and October - March 2018.



### Leisure Centre Usage



### Community Planning

The Council is continuing to work with the Community Planning Partnership. To support the implementation of the Community Plan, Place Shaping Forums have been established in each of the seven District Electoral Areas (DEA) across the Borough. Funding has been allocated to each DEA and initiatives ranging from small short term projects to larger long term projects are being delivered.

### PROSPERITY

#### Economic Development

The Council promoted 83 jobs via the 'Go for it' Programme and 410 businesses were assisted to develop/expand their operations through Council operated or funded programmes.

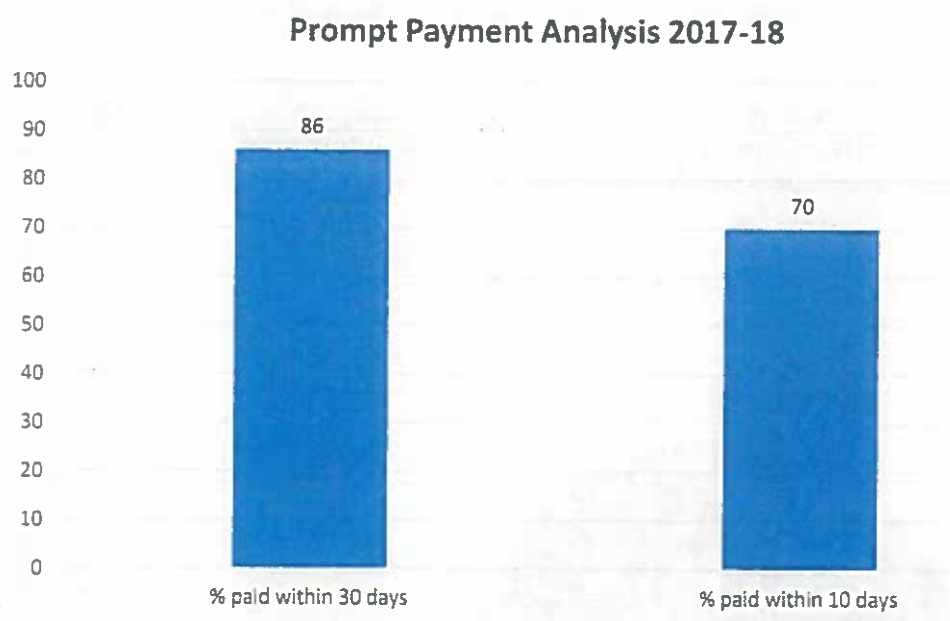
#### Events

We attracted approximately 120,000 people to Council showcase events: Viking Boat Race, Enchanted Winter Gardens at Antrim Castle Gardens, May Fair, Party in the Park, Shoreline Festival, Street Velodrome, Brighter Nights, Mid-Summer Magic 'Spooktacular' at Junction One and 'Spooked Out' at V36.

## **PERFORMANCE**

### **Payment of Supplier Targets**

As a key procurer of goods and services in the Borough the Council is aware of the importance of cash flow to businesses, particularly small businesses. During 2017/18 the Council made significant progress to improve performance within the 10 day and 30 day targets.



Our performance in this area compares favourably to other Councils, **ranking 4<sup>th</sup>** in terms of the 30 day target and **ranking 2<sup>nd</sup>** for payments made within 10 days.

### **Annual Report on Performance**

A comprehensive analysis of performance against the Corporate Plan and the Corporate Improvement Plan will be published by 30 September 2018.

### **Governance**

The Council is required to prepare an Annual Governance Statement in order to report publicly on the extent to which it complies with the Code of Governance, which in turn is consistent with good governance principles contained within the Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016).

The Statement includes how the effectiveness of governance arrangements have been monitored and evaluated in the year, and on any planned changes in the coming period. The process of preparing this governance statement has in itself provided assurance regarding the effectiveness of the Council's governance and internal control framework.

The Annual Governance Statement for 2017/18 (pages 20 to 38) is included in these financial statements and includes an outline of the Governance and Risks issues facing the Council.

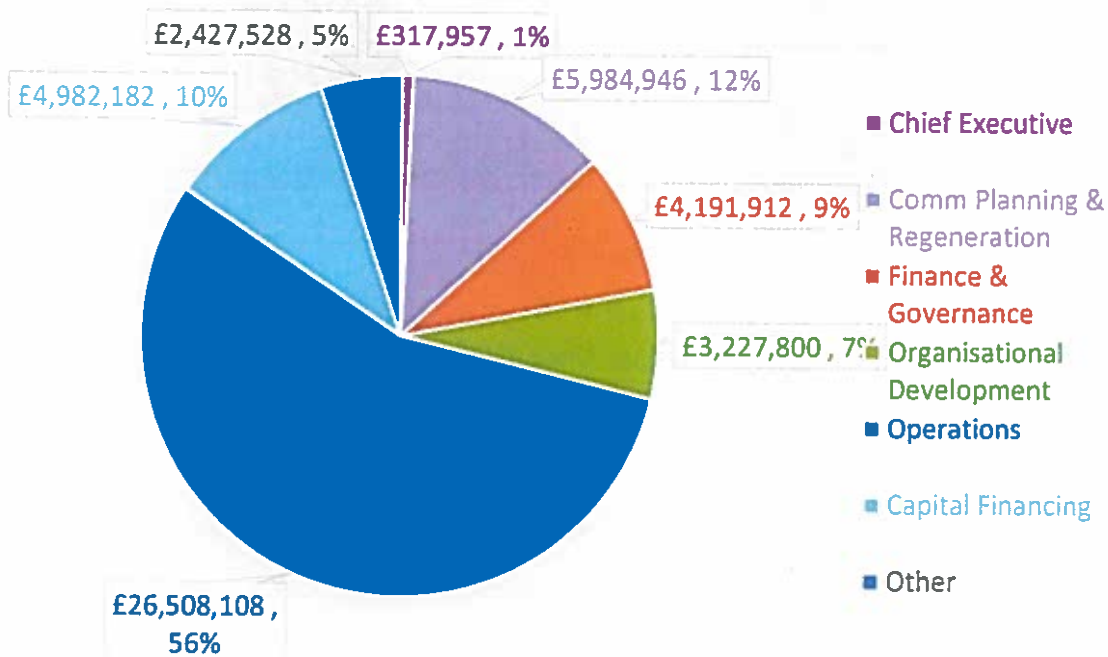
### Financial Performance Report

Overall, the Council recorded an increase in its General Fund of £325k against a budgeted decrease of £757k.

The Net Cost of Services for the year chargeable to the General Fund was £47.64m against a budget of £47.58m, with External Funding being £47.99m against a budget of £46.82m. Other income from fees and charges credited to the General Fund totalled £12.37m.

The pie chart below shows the net expenditure chargeable to the General Fund, allocated between the Council's directorates, Capital Financing and Other as set out in Note 2 – Expenditure and Funding Analysis.

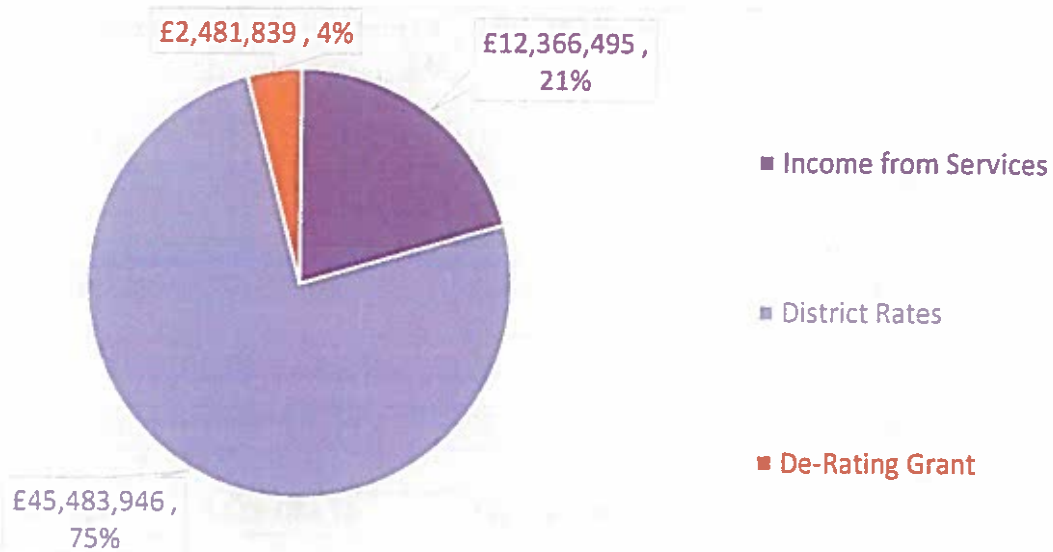
Other includes interest payable in respect of borrowings, contributions to reserves and capitalisation of approved revenue expenditure.



The Council accounted for severance costs, included within Organisational Development above, totalling £1.30m during the year and obtained a Capitalisation from the Department for Communities to capitalise £1.21m of this, allowing the Council to spread this cost over the next four years. The balance of £90k has been charged to the General Fund.



## External Funding & Income



The estimated District Rates Finalisation for the year indicates additional rates income for the year of £1,008k while the De-Rating Grant Finalisation also indicates a favourable variance of £135k reflecting an increase in the rates base within the Borough.

As a result, the Council has allocated £1,016k to Reserves to protect the Council's finances going forward. As reported in the 2016/17 Statement of Accounts, a ratepayer in the Borough successfully appealed the rates valuation for their property for the period from 2010/11 to 2014/15 resulting in a £959k clawback of Rates from Land Property Services. As further appeals are currently in progress for the period from 2015/16 to date, the Council has elected to create a Rates Appeals Reserve using £564k from the year's contributions. The appeal process is completely outside of the control of the Council; however, the Council believes that it is prudent to make some allowance should a clawback of similar magnitude arise.

The Council has also identified a number of Strategic Projects being developed which would greatly benefit its residents and businesses in the future and has elected to make a contribution of £464k to a Strategic Projects Reserve.

To mitigate the financial loss arising from the large rate rebate, various actions during 2017/18 were taken. Budgetary impacts included deferral of capital works, deferral of staff appointments and non-virement of accumulated budgetary savings. As a result there have been some significant underspends across several services, the largest being within Community Development (Tackling Deprivation and the DEA Funding Programme), Economic Development (Consultancy expenditure) and Planning (Application Fees). However, there were some overspends in other services, the largest being Waste Management (Transportation Expenditure) and Leisure (Employee Costs).

The budget versus actual position is shown below:

	<b>Annual Budget (£)</b>	<b>Actual Net Cost (£)</b>	<b>Variance (£)</b>
Capital Financing	7,505,914	7,409,710	(96,204)
Chief Executive	382,499	317,957	(64,542)
Community Planning & Regeneration	7,776,999	5,984,946	(1,792,053)
Finance and Governance	4,423,935	4,191,912	(232,023)
Organisational Development	1,969,554	1,924,106	(45,448)
Operations	25,521,155	26,508,108	986,953
Severance	-	1,303,694	1,303,694
	<b>47,580,056</b>	<b>47,640,433</b>	<b>60,377</b>

## Outlook

The Council has approved a medium term financial plan setting a robust overall financial framework for the Council's spending over the next three years to support delivery of the Council's corporate objectives.

The financial priorities for the Council are as follows:

- To ensure effective and targeted procurement delivering value for money, quality services, at the lowest possible cost;
- To use our financial and physical assets in the best interests of the ratepayers;
- To ensure high standards of behaviour and prudent management of resources; and
- To report openly and clearly on our financial performance.

The Plan projects increases in costs in excess of 2% per annum over the next three years, indicating that the Council will face pressures during that period to keep rates increases to a minimum while continuing to provide high quality value for money services.

Senior management and officers will continue to work with Elected Members to ensure that those significant governance issues, as reported in the Annual Governance Statement, affecting the financial status of the Council are monitored closely and do not impact on Council services going forward.

The Council has approved in principle a capital programme for the next three years totalling £20.7m. It is anticipated that £1.7m of this will be funded by external grants with the remainder being financed by revenue contributions or borrowings depending on the financial position of the Council at the time of the expenditure.

**Group Accounts**

The Code requires Local Authorities to consider all their interests and to prepare a full set of group financial statements where they have material interests in subsidiaries, associates or joint ventures. Antrim and Newtownabbey Borough Council does not have material interests in such bodies and accordingly is not required to prepare group financial statements.

## **STATEMENT OF THE COUNCIL'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**

### **The Council's Responsibilities**

Under Section 1 of the Local Government Finance Act (Northern Ireland) 2011 the Council shall make arrangements for the proper administration of its financial affairs. Under this section the Council is required to designate an officer of the Council as its Chief Financial Officer. Arrangements for the proper administration of its financial affairs shall be carried out under the supervision of its Chief Financial Officer.

Under Regulation 7 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 the Council, or a Committee, is required by resolution to approve the accounts.

These accounts were approved by Antrim and Newtownabbey Borough Council Audit Committee on 18 September 2018.

### **The Chief Financial Officer's Responsibilities**

Under Regulation 10(2) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 the Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts in the form directed by the Department for Communities (formerly the Department of the Environment).

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

In preparing this statement of accounts, the Chief Financial Officer is required to:

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

The Chief Financial Officer is also required to:

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

## **ANNUAL GOVERNANCE STATEMENT 2017-2018**

### **1.0 INTRODUCTION**

Antrim and Newtownabbey Borough Council is required to prepare an Annual Governance Statement in order to report publicly on the extent to which it complies with the Code of Governance, which in turn is consistent with good governance principles contained within the Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016).

The Statement includes how the effectiveness of governance arrangements have been monitored and evaluated in the year, and on any planned changes in the coming period. The process of preparing this governance statement has in itself provided assurance regarding the effectiveness of the Council's governance and internal control framework.

The Annual Governance Statement is a valuable means of communication. It enables the Council to explain to the community, service users, tax payers and other stakeholders, the governance arrangements and how the controls that are in place manage risks of failure in delivering outcomes. It also reflects the Council's own particular features and challenges.

The Statement provides a meaningful communication regarding the review of governance that has taken place, including the role of the governance structures involved. It aims to be high level, strategic and written in an open and readable style. It is focused on outcomes and value for money. It relates to the Council's vision for the area, and provides an assessment of the effectiveness of governance arrangements in supporting planned outcomes.

### **2.0 SCOPE OF RESPONSIBILITY**

Antrim and Newtownabbey Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards; that public money is safeguarded and properly accounted for; and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act (Northern Ireland) 2014, Part 12: Performance Improvement to secure continuous improvement in the exercise of its functions, having regard in particular to strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency, and innovation. 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, and which includes arrangements for the management of risk.

This Statement also explains how the Council meets the requirements of Regulation 4(4) of The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 which requires the preparation of an Annual Governance Statement, prepared in accordance with proper practices on internal control. A copy of the Council's Code of Governance is on the Council website.

### **3.0 PURPOSE OF THE GOVERNANCE FRAMEWORK**

The Council's 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. This governance framework has been in place for the year ended 31 March 2017.

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 local authority for the year ended 31 March 2018 and up to the date of approval of the financial statements.

### **4.0 THE GOVERNANCE FRAMEWORK**

In line with the guidance provided in the Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016), the key elements of the systems and processes that comprise the Council's governance arrangements are summarised below:

#### **4.1 *Developing Codes of Conduct which define standards of behaviour for Elected Members and staff, and policies dealing with whistleblowing and conflicts of interest and that these Codes and Policies are communicated effectively.***

The roles and responsibilities of Elected Members and Officers and the processes to govern the conduct of the Council's business are defined in the Council's Constitution encompassing procedural Standing Orders, Scheme of Delegation and Financial Regulations which are regularly reviewed and revised where appropriate.

Codes of Conduct are in place for, and define the high ethical values and standards of behaviour expected from, Elected Members and staff to make sure that public business is conducted with fairness and integrity. Both the Code of Conduct for Council Members and the Code of Conduct for staff are published on the Council's intranet and website.

Training on the new Code of Conduct issued in November 2014 for all staff across the Council commenced in February 2015 and the last session was held in March 2016. Since then all new staff receive Code of Conduct Training in the Corporate Induction. Further tailored and more practical mandatory Code of Conduct training for all staff has been delivered.

Detailed guidance notes are provided to Members including notes regarding the declaration and registration of pecuniary and non-pecuniary interests. Practical examples are also given of the consequences of non-compliance with the Code. All staff are provided with a short guide to understanding the Code of Conduct and are provided with the opportunity to attend training. Staff are also encouraged to use the new Council app iConnect, which provides easy access to relevant employment information.

An Anti-fraud and Corruption Policy is in place and has been widely communicated to staff and other stakeholders through team meetings, induction procedures, the intranet and website. This policy outlines roles and responsibilities across the Council, and identifies the approach to fraud and corruption prevention, identification and investigation, including a procedure for the receipt of suspicions of fraud from members of the public.

The Council's stance on fraud or corruption is stated as '*the Council will not tolerate fraud and corruption, whether from internal or external sources, wherever it may occur in any area of Council activity*'. In addition to anti-fraud training, a review of fraud risk across the Council has been completed and a series of fraud risks are now contained within the Service Risk Registers. These are kept under review and updated by Heads of Service as deemed necessary.

The Council's Whistleblowing Policy recognises whistleblowing as an important source of information that may highlight serious risks and potential fraud or corruption. Employees who are prepared to speak up about malpractice, risk, abuse or wrongdoing are recognised as one of the most important sources of information for the Council. The policy details the assurances provided to anyone who wishes to raise concerns.

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

The Council has a proactive, holistic approach to ensuring compliance in this area, thereby ensuring the protection of public finances, safeguarding assets, and delivering services effectively and sustainably. The Council's system of internal control is based on a framework of approved standing orders and financial regulations; regular management information; administrative procedures (including segregation of duties); management supervision; and accountability. There are clearly defined guidelines for capital expenditure, procurement, human resources management and contract management.

A Risk Management Strategy is in place setting a priority for the robust systems of identification, evaluation and control of risks which threaten the Council's ability to meet its objectives to deliver services to the public.

The Council endeavours to ensure that all parties who may impact on the above directly or indirectly are aware of their responsibilities under current legislation that the Council is governed by, including but not limited to, Health and Safety Legislation, Equality Legislation, and Data Protection.

Professional legal advice on the discharge of Council functions is provided to the Council by the Borough Lawyer; a qualified Barrister, with support provided as necessary via contracted external legal support services.

#### 4.3 Documenting a commitment to openness and acting in the public interest.

The Council's Communication and Consultation Strategy aims to:

- Demonstrate to citizens and stakeholders the impact of the Council's actions on wellbeing and the quality of life for their family locally;
- Make people feel better informed, proud to live Antrim and Newtownabbey Borough, proud to work for the Council, and proud to work with it;
- Communicate, consult and engage openly, clearly, honestly and continuously with Council's citizens, employees, Members, partners and the media to improve services;
- Share information and ask people for their views at an early stage of decision-making. The Council's consultations include statutory and non-statutory consultation, all of which are integral to the Council's annual rolling consultation plan;
- Communicate and consult with Council's citizens in ways that suit them, are cost effective and embrace technology;
- Listen to what people tell the Council, learn from it and take it into account when the Council make decisions;
- Show that the Council listens by letting people know in plain language what the Council is going to do as a result, or what it will not be possible to do and why. In this way, decisions will be better informed and people will understand how they have helped shape work and services;
- Ensure that communications reflect the Council's key messages and corporate priorities;
- Work with partners and in-house teams to avoid over communication or consultation fatigue/over consultation;
- Secure and strengthen the reputation of the Council in the community as an effective and efficient provider of high quality outcomes - focused on the Council's values and priorities;
- Continue to build and develop the Council's corporate brand for consistent and co-ordinated use throughout the organisation;
- Promote the image of the Council as an effective, efficient and listening organisation focused on the public and their needs;
- Work to increase employee awareness of the priorities of the Council, their role in delivering these and communicate to staff ways in which they can contribute to major changes affecting services they provide; and
- Ensure that communications activities reflect the full diversity of the community and help ensure equality of access to all services.



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

The Communication and Engagement Strategy outlines how the Council communicates, consults and engages to support the delivery of the Corporate Improvement Plan. The Council's consultation schedule lists all planned priority engagement.

Consultation survey outcomes are used to support service improvements/new capital scheme development. Using social media, online surveys, information sessions, focus groups and workshops the Council facilitate a range of consultation opportunities for our stakeholders. A number of new ways to engage hard to reach groups are being explored. The Council continues to explore ways to digitalise services and use online technology and social media to enhance communication with their citizens; for example new citizen apps and website will be delivered by Autumn 2018.

4.5 *Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning.*

Three core documents demonstrate the Council has developed a vision which specifies intended outcomes for the citizens and service users and are used as a basis for planning:

4.5.1 *Community Plan*

In May 2017 the Council approved a new **Community Plan**. It sets out a shared vision and agreed outcomes for the area up to 2030. The successful implementation of the Plan will be marked by a demonstrable improvement in how services are delivered across our Borough and the quality of life our citizens experience. The Community Plan was developed through an extensive engagement and co-design process with partners, residents, local groups and organisations as well as other stakeholders. The draft Community Plan framework was published in January 2017 and it was issued for public consultation for twelve weeks. The feedback on the draft plan was taken into account in the publication of the final Plan and will be used to inform the development of outcome delivery plans.

The Council have established Place Shaping Forums in each of the Council's District Electoral Areas (DEAs). These Forums have been set up to encourage the local community and voluntary sector groups, churches, schools and sports clubs, and other organisations to participate in Community Planning in their area, thereby ensuring a local approach to the delivery of the outcomes in the Community Plan.

4.5.2 *Council Corporate Plan*

The **Council Corporate Plan**, "Our Borough, Your Vision 2015-2030" sets out Antrim and Newtownabbey Borough Council's framework to ensure that Our Vision, Mission and Values are met.

Our vision is "A prosperous place, Inspired by our people, Driven by ambition."

Our mission is "To meet and exceed the needs and aspirations of our people and be recognised for leadership and excellence both locally and beyond."

Our values are Excellence, Integrity, Commitment, and Responsibility."

The Plan reflects the Council's commitment to work innovatively, efficiently and effectively to deliver real and lasting outcomes by focusing clearly and simply on four key strategic themes:

- (i) Place
- (ii) People
- (iii) Prosperity
- (iv) Performance

Consultation with Members, staff, the local community and partner organisations helped the Council to develop the four Strategic Themes and associated Objectives detailed within the Corporate Plan 2015-2030.

The Corporate Plan was developed within the scope of broader public policy concerning the environment, health, education, housing, economic growth, sustainable development and a shared future. The Plan, against which performance standards are set and measured, is a public statement of the Council's commitment to improve the quality of life for residents, ratepayers and visitors to the Borough.

On an annual basis, the Corporate Leadership Team and Elected Members participate in a Corporate Planning Workshop which provides an opportunity to set the strategic direction and agree the outcomes for the incoming year.

Finally, under the Local Government Act (Northern Ireland) 2014, Council also has a statutory duty to make arrangements to:

- Secure continuous improvement;
- Secure achievement of its improvement objectives; and
- Exercise its functions so that any Departmental specified standards are met.

#### 4.5.3 Corporate Improvement Plan 2017-18

During 2017-18 the Council identified seven improvement objectives and these were set out in the **Council's Corporate Improvement Plan 2017-18**. The improvement objectives identified areas of work where the Council aimed to make a significant difference to services and outcomes. The outcomes associated with our delivery of this Plan have been reported to both the Audit Committee and Council over the course of the year, and will be subjected to audit by the Northern Ireland Audit Office in October 2018.

#### 4.5.4 Draft Corporate Improvement Plan 2018-19

For 2018-19 the Council identified seven areas for improvement which are aligned with the Community Plan and the Council's Corporate Plan and set out in the **Draft Corporate Improvement Plan 2018-19**. In March 2018, the Council initiated a twelve-week public consultation to derive feedback. The feedback informed the identified improvement objectives and detailed practical and specific examples which will be actioned and incorporated into the implementation plans derived out of the final Corporate Improvement Plan 2018-19 and/or associated documents.

These plans confirm the Council's commitment to make a difference to services and outcomes for the people of our Borough.

#### 4.6 Translating the vision into courses of action for the authority, its partnerships and collaborations.

A holistic approach to planning and performance management was agreed, through the implementation of a performance management cycle. During 2017-18 quarterly progress reports were made to Council in relation to the completion of the Annual Business Plan objectives and corporate improvement objectives. Any underperforming areas are reported to the appropriate Committee with an accompanying action plan from the relevant Head of Service/Director.

The Annual Business Plan contains all of the key areas of work/business and provides a strategic overview of what work was undertaken during the year. The Plan identifies the lead Head of Service, thus still providing transparency/accountability at a Head of Service level.

For 2018-19 a strategic planning framework has been developed and included in the draft Corporate Improvement Plan 2018-19. This illustrates how performance is measured and managed at all levels within the organisation. The framework links directly to the corporate planning processes in place. It demonstrates how strategic objectives within the Community Plan and Corporate Plan are cascaded through Directorate, Service and ultimately individual employee work objectives. Key Performance Indicators (KPIs) are defined against outcomes at every level of business planning so that performance is continually measured and improved.

#### 4.7 Reviewing the effectiveness of the decision-making framework, including delegation arrangements, decision-making in partnerships, information provided to decision makers and robustness of data quality.

Council's Standing Orders, which include the protocol for the operation of the Antrim and Newtownabbey Planning Committee, were adopted in June 2015 and are reviewed and revised as appropriate.

Council's Scheme of Delegation provides the framework and guidance for the powers delegated to Committees of Council and to Senior Officers within the Council. This Scheme is contained within the Constitution and sets out:

- a. Powers reserved for the Council

- b. General Delegated Functions
- c. Human Resources
- d. Procurement
- e. Environmental Health
- f. Building Control

Delegated powers of planning are contained within Council's Standing Orders.

Good data quality is required by the Council to plan; make its key decisions, and deploy its resources for smooth operational performance. Council continues to endeavour to ensure data is accurate, valid, reliable, timely, relevant and complete. Training has been provided to all Heads of Service as Information Asset Owners highlighting awareness of the importance of data quality and their associated responsibilities. Information Governance is specifically included as a section within the interim and annual Internal control checklist completed by Heads of Service to feed into the Annual Assurance Statement.

4.8 *Measuring the performance of services and related projects and ensuring that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money.*

Central to the Council's performance improvement framework is the Council's commitment to delivering on the agreed outcomes and achieving the vision and mission, by ensuring:

- Goals are prioritised and resources are allocated effectively;
- Services and outcomes are delivered for local people;
- Staff are motivated and individuals are aware of their own targets and goals and how these contribute to achieving the Council's vision;
- That significant risks to the achievement of objectives are identified and managed;
- There is early warning of, and rectification of, poor performance;
- That the Council and its partners achieve what it sets out to do; and
- There is a strong evidence base for improved decision making and the efficient use of resources.

A number of internal performance management processes exist which support the performance management culture:

- The Corporate Leadership Team (CLT) meets fortnightly and comprises the Chief Executive and the Directors. Minutes from these meetings are available on the Staff Intranet for officer action and information. Other staff may attend the meetings as appropriate when specific areas of responsibility are being

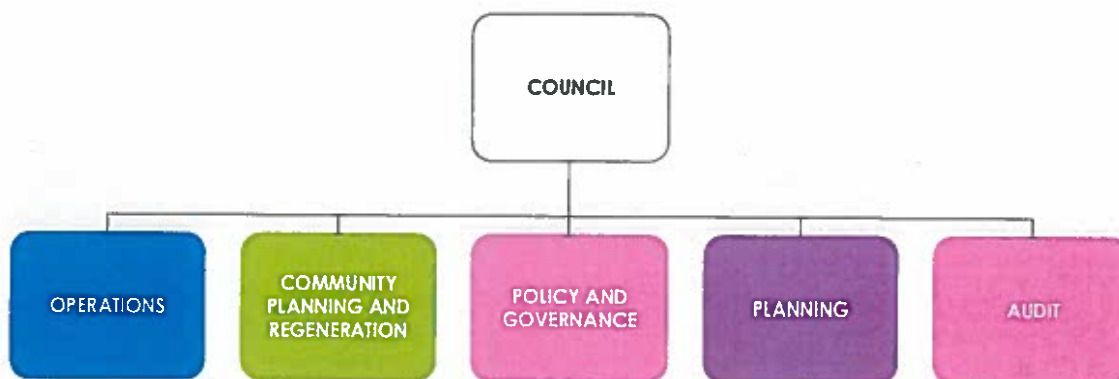
considered and meetings are held at various Council venues with openness, transparency, communication and engagement in mind;

- Monthly meetings with CLT and the Senior Management Team have progressed the change/transformation and performance agenda;
- A Personal Review and Development process is in place across the organisation, which focuses an individual's performance against agreed upon objectives, and identifies any learning and development opportunities;
- Quarterly reports are brought to CLT, Committee and Council in respect of the completion of business plans and corporate improvement projects. This allows both the leadership team and Elected Members to measure performance and review progress towards the achievement of the agreed outcomes;
- A Corporate Workshop involving Elected Members and key staff takes place annually. This is an opportunity for Members to assess progress both in terms of service delivery and financial planning;
- Antrim and Newtownabbey Council have an established culture of learning and development and this supports and drives a culture of both improvement and efficiency;
- Culture change is being driven through an employee engagement programme entitled 'Engage and Deliver';
- Customer satisfaction with key services has been measured throughout the year, for example, street cleansing, overall customer satisfaction, theatre satisfaction etc. This information is used to improve the delivery of services;
- Financial management information is reported on a monthly basis to Members through the Policy and Governance Committee, the Corporate Leadership Team and all budget holders. A balanced budget was approved at the start of the financial year incorporating capital project forecasting and reserve requirements. The budget explicitly relates to the allocation of financial resources towards the achievement of Council's objectives and prioritises;
- Prudential Indicators are set each year to ensure that capital investments plans are affordable, prudent and sustainable. Likewise, a Treasury Management Strategy is agreed by Members so that Treasury Management decisions operate within a clear framework and in accordance with good practice. Financial performance is supplemented by operating performance e.g. recycling rates or creditors days, absence days. Council has developed innovative 'dashboards' to enhance the reporting of these performance indicators;
- The Council uses a variety of organisation development models to drive an ongoing programme of improvement, productivity and efficiency. These include Investors in People; Green Flag Awards and ISO 14001 Environmental Management. These are used to enable organisational change, transformation and/or improve specific operations; and
- In September 2017 the Council published an annual report of performance, highlighting how the Council has performed in relation to the Corporate Plan and Corporate Improvement Plan.

4.9 Defining and documenting the roles and responsibilities of members and management, with clear protocols for effective communication in respect of the authority and partnership arrangements.

The Council's Constitution details clearly the policy and budget framework within which the Council operates, the functions of the Council and responsibilities for functions, including the decision making structure adopted by the Council. The Council is conscious of the need to keep the Constitution up to date and will review and revise where appropriate.

Antrim and Newtownabbey Borough Council is committed to setting and securing the highest standards in decision making and the Scheme of Delegation provides the framework for the powers delegated to Committees of Council and to Senior Officers within the Council. The Council operates a committee system, under which committees report to the Council as a whole, as illustrated below:



Each Committee is responsible for determining policy within its own area within agreed terms of reference delegated from the Council. Agreed Committee terms of reference are available on the Council website.

Information flows to and from Council by way of reports prepared by officers with recommendations when appropriate, and minutes prepared by Member Services in attendance. Council and Committee agendas, minutes and audios are published on the Council website in line with Standing Orders. All staff have a direct link to these via the intranet providing easy access to decisions. Directors' PAs are responsible for the tracking of decisions and associated actions across a series of meetings following Council meetings.

Officer roles are clearly defined in their job descriptions within approved staff structures.

4.10 Ensuring that financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) and, where they do not, explain why and how they deliver the same impact.

The Council's financial management arrangements conform to the governance arrangements of the CIPFA Statement on the Role of the Chief Financial Officer in

Local Government (2016) as set out in Delivering Good Governance in Local Government: Framework (April 2016), with the exception that the Chief Financial Officer does not hold a professional accounting qualification. Local regulations do not require the Chief Financial Officer to be professionally qualified. The roles of the Chief Financial Officer and Chief Executive are not separated within the Council. The Chief Financial Officer is supported, notably by the Director of Finance and Governance, who holds a professional accountancy qualification, along with other suitably qualified and experienced staff within the Finance function.

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

The Council currently has the externally recognised Member Development Charter Status since December 2015 and is actively working towards the prestigious Charter Plus status in 2018/19.

The Council also has a Members' Professional Development Policy to support and evaluate member development activities.

Antrim and Newtownabbey Borough Council collate our Member Development needs on an ongoing basis via the quarterly Member Development Working Group, working in partnership with the Northern Ireland Local Government Association (NILGA), feedback from Councillors and professional officers. This year our Member Development Working Group agreed to participate in the NILGA Regional Member Development Group Programme as well Antrim and Newtownabbey's own bespoke Member Development Programme and nominated a Councillor to sit on the NILGA Member Development Working Group to shape future programmes.

Last year the Council ran a pilot offering members the market leading 360 Feedback Tool and the Council will be offering this feedback tool to all members this year as part of their ongoing personal development.

All Members are offered an induction programme on commencement of a new Council term. This includes standing orders, equality, health and safety, and media training. Members complete IT training and attend conferences as nominated representatives of the Council. The induction programme is currently under review ahead of the 2019 Election.

All Council staff have an annual Personal Review and Development Plan (PRDP). The purpose of the PRDP is to provide feedback to staff on their role and progress against their objectives but also to identify their training needs for the coming year. Senior Officer development is also supported by the Continuous Development Scheme and Part Time Study Policy.

In June 2018 the Council's innovative iLead Development Portfolio for middle management and team leader level concluded and these programmes will be rolled out again in 2018/2019 with an additional iLead Programme for Heads of Service.

4.12 *Reviewing the effectiveness of the framework for identifying and managing risks and for performance and demonstrating clear accountability.*

The Audit Committee approved a revised Risk Management Policy and Procedures in April 2015. Governance and Internal Audit facilitated the development and implementation of this Policy, and have promoted a culture in which risk management is embedded in all Council activities through the production of Corporate and Service Risk Registers. Risk management priorities have been established within the Council and responsibility assigned to appropriate individuals.

The Council's risk registers have been formally reviewed and updated on a quarterly basis with reviews being completed for the periods ending June, September, December and March, with further updates, as considered necessary, in the intervening period. A review of fraud risk across the Council has been completed and a series of fraud risks are now contained within the Service Risk Registers.

During audit engagements, internal audit review risk registers and controls cited to mitigate the identified risks. Internal audit will recommend actions to management where those actions will strengthen the system of governance, risk management and control.

Departments have given assurances that risks are being managed in accordance with the procedures laid down in the approved strategy and that action planning has been performed with responsibilities assigned for mitigating action. Corporate level risks have also been managed in the same manner and are reported to the Audit Committee at each meeting. The following parameters were reported to Audit Committee on a quarterly basis:

- New risks added to the Corporate Risk Register (regardless of level of risk), and any closed risks;
- Changes in risk level (regardless of risk level); and
- Profile of the existing Corporate Risks (currently 22 risks) and the associated Risk Scores.

4.13 *Ensuring an effective scrutiny function is in place.*

The Council has an Internal Audit function which performs reviews of systems across all departments of the Council and provides management with an opinion on the controls of the areas that it reviews. The Council responds to the findings and recommendations of Internal Audit, External Audit, Scrutiny and Inspection bodies. The Chief Audit Executive/Head of Internal Audit provides an independent and objective annual opinion on the effectiveness of internal control, risk management and governance based on the internal audit activity within the year.

The Audit Committee is a key component of Antrim and Newtownabbey Borough Council's corporate governance framework. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards. This Committee is integral to oversee independent and objective assurance and monitoring improvements in internal



control and governance. Further details of the Council's Audit Committee and its core functions are contained within the 'Undertaking the core functions of an Audit Committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013)' section below.

4.14 Undertaking the core functions of an Audit Committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013).

The Audit Committee is a formally constituted Committee of the Council and is a key component of Antrim and Newtownabbey Borough Council's corporate governance framework. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the internal control environment. It provides independent review of Antrim and Newtownabbey Borough Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It also oversees Internal Audit and considers the reports and recommendations of external audit, helping to ensure efficient and effective assurance arrangements are in place.

The core functions of the Audit Committee are summarised in a Terms of Reference, which describe the arrangements in place to enable it to operate independently, robustly and effectively. A copy of the Terms of Reference can be found on the Council's website.

The Council's Audit Committee consists of six members of the Council plus an independent member. The Committee met four times in the financial year 2017/18.

As part of the year end procedures, the Audit Committee has undertaken a review of its effectiveness. In addition, the Audit Committee reports to Full Council, outlining its activities throughout the year and how it has discharged its responsibilities as set out in the Audit Committee Terms of Reference.

It is the Committee's view that for 2017/18, it has discharged its responsibilities in full, although it has developed an action plan to support the further development of this key Committee.

## **5.0 INTERNAL AUDIT**

The mission of Internal Audit is "to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight"<sup>1</sup>. The requirement for Internal Audit is set out in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, which state: "a local government body must undertake an adequate and effective internal audit of its accounting records and of its system of risk management, internal control and governance processes using internal auditing standards in force from time to time"<sup>2</sup>.

"Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing systematic, disciplined approach to evaluation and improve the effectiveness of risk management, control and governance processes"<sup>3</sup>.

The Internal Audit function is organisationally independent.

It is management's responsibility to ensure that a system of internal control is in operation within the Council and that policies and procedures are in place to monitor the continuing effectiveness of that system.

It is Internal Audit's responsibility to independently and objectively review, appraise and report on the adequacy of the internal controls as a contribution to the proper economic, efficient and effective use of resources.

Internal Audit report to the Audit Committee throughout the year, outlining the audit activity for the period; summarising the main findings of the reviews undertaken; and providing an assurance opinion on the effectiveness of the controls reviewed during each audit engagement.

Internal Audit also reports annually to both the Chief Executive and the Audit Committee, detailing the audit activity throughout the year and providing an overall assurance opinion on the effectiveness of the system of internal control in operation with the Council.

The Internal Auditor's opinion for 2017/18 is reported in the 2017/18 Internal Audit Annual Report. The opinion provided was as follows:

Based on the work completed, Internal Audit is providing a **Satisfactory Except for Information Governance/Retention and Disposal Schedule** opinion.

Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.

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<sup>1</sup> Public Sector Internal Audit Standards – Section 3

<sup>2</sup> Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 – Section 6(1)

<sup>3</sup> Public Sector Internal Audit Standards – Section 4

With regards to Information Governance/Retention and Disposal Schedule, there are some improvements that are required to enhance the adequacy and/or effectiveness of governance, risk management and control. Management are actively working through these improvements, which will be subject to review during 2018/19.

The Public Sector Internal Audit Standards (PSIAS) requires Internal Audit *"to develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity."*<sup>4</sup>

The standards also require that the quality assurance and improvement programme must include both internal and external assessments.

- Internal assessments must include:
  - Ongoing monitoring of the performance of the internal audit activity; and
  - Periodic self-assessments or assessments by other persons within the organisation with sufficient knowledge of internal audit practices.
- External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.

This review has been completed for 2017/18 and it has been concluded that there is an effective Internal Audit service within the Council which substantially conforms to the Public Sector Internal Audit Standards.

In addition to this, the level of customer satisfaction of the Internal Service provided is high.

## **6.0 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 Internal Auditor's Annual Report, and also by comments made by the external auditors.

The Governance roles and responsibilities of the Councils Committee structure (4.9), Councils Executive system (4.8 & 4.9), the Audit Committee (4.12 & 4.14, and Internal Audit (4.13 & 5.0) are described within this Statement.

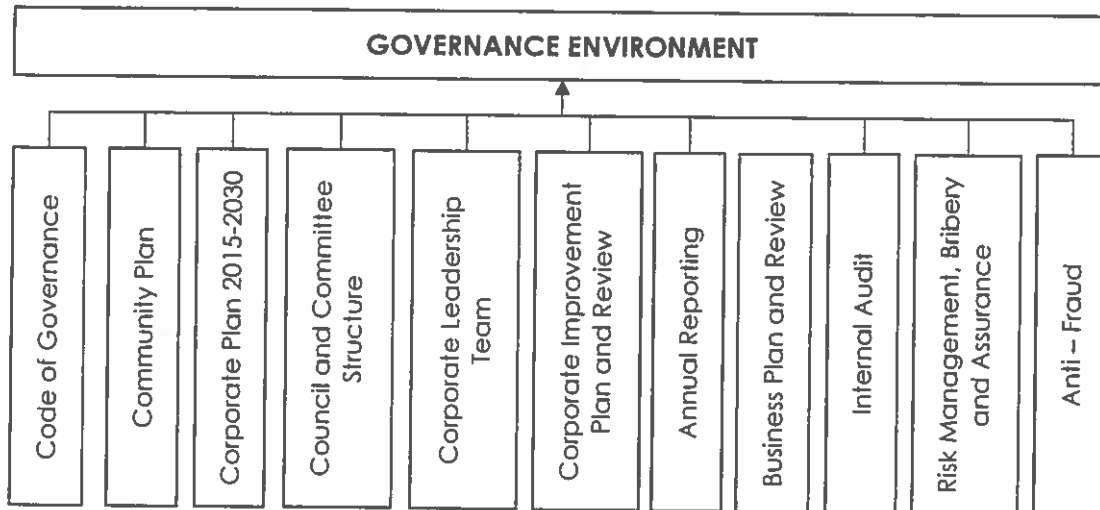
The Council's System of Internal Control (Governance Framework) is underpinned by compliance with governing legislative and regulatory requirements, commitment from the Corporate Leadership Team, the Corporate plan, Financial Procedures, oversight functions including an Audit Committee, regular and timely management information, administrative procedures, whistle blowing procedures, management

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<sup>4</sup> PSIAS – Standard 1300 – Quality Assurance and Improvement Programme

supervision, delegation and accountability and a commitment to staff development and performance management.

The following 'elements' make up the Council's internal control environment.



The Council has conducted a Review of the Effectiveness of the system of internal control in place within the Council in 2017/2018, in accordance with Regulation 4(2) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015.

The results of this review, along with the Internal Audit Annual Report were reported to the Audit Committee for consideration in assessing the effectiveness of the system of internal control and the approval of the Annual Governance Statement and the Statement of Accounts. This review is complete on an annual basis.

From the work undertaken by management, Governance and Internal Audit throughout the year, it is considered that key systems are operating soundly.

Governance Issues identified in the Review of Effectiveness of the System of Internal Control 2017/18 are addressed within Section 7.0 of the Annual Governance Statement.

**7.0 SIGNIFICANT GOVERNANCE ISSUES**

In preparation of the Annual Governance Statement, each Director was required to provide the Chief Executive with an overall assurance opinion on the control environment within their department. To do this, internal control checklists and management assurance statements were completed by their Heads of Service, providing the Directors with assurance that controls within their departments were in place and operating satisfactorily. These statements were reviewed by the Director before forming an opinion on an assurance statement to the Chief Executive. The following issues have been identified through the Directors' Assurance Statement process in 2017/18.

Issue	Update/Proposed action
<p><b>Investigation of a Complaint by the Northern Ireland Public Services Ombudsman</b></p> <p>In April 2018, the Northern Ireland Public Services Ombudsman published a report into an investigation of a complaint made against the Council in respect to its procurement of stewarding services for an event held in June 2016.</p> <p>The Ombudsman concluded that there was mal-administration in respect of the procurement of the stewarding services, in that the Council and its staff failed to follow the procurement procedures as set out in the Financial Regulations.</p> <p>The Ombudsman made a number of recommendations to the Council, which include apologising and paying compensation to the complainant and providing all Council staff with Code of Conduct and Procurement Training.</p>	<p>The Council has accepted the recommendations of the Ombudsman and has implemented these actions. The Council has also implemented further actions:</p> <ul style="list-style-type: none"> <li>• All staff we re-issued with the Employee Code of Conduct in December 2017, with the requirement to make an annual Declaration of Interest and sign the Code of Conduct Return;</li> <li>• Mandatory Conflict of Interest Declarations have been introduced within the Procurement (Tender and Quotation) processes and the Grant Funding processes;</li> <li>• The Code of Conduct and Procurement training provided to staff also included Conflict of Interest training;</li> <li>• The Council's Financial Regulations, in relation to Section 7 – Procurement, have been updated to reflect the responsibility of each officer to ensure value for money is obtained and demonstrated, especially for below threshold purchases; and</li> <li>• A new process has been implemented to routinely communicate new contracts to the Corporate Leadership Team and Heads of Service, on a monthly basis.</li> </ul>

Issue	Update/Proposed action
	<ul style="list-style-type: none"> <li>A report on any Northern Ireland Public Services Ombudsman investigations has been included as a standing item on the Audit Committee agenda.</li> </ul>
<b>Member/Officer Working Groups</b>	
<p>An issue regarding the inadequate recording of a Member/Officer Working Group decision has been formally investigated and appropriate corrective action taken.</p>	<p>All records, including any reasons for decisions made, (particularly in relation to the approval of projects) are now to be retained (including hand written notes) in line with the Council's Retention and Disposal Schedule.</p>
<b>Cemetery Space</b>	
<p>Limitations on space for urban Newtownabbey.</p>	<p>Additional plots are being developed at Carrmoney Cemetery through a subterranean system with development of further plots to be considered at a second location. In addition, plots have been developed at Carrmoney North East Extension (Selby Smith) but sales are currently suspended due to flooding.</p>
<b>Residual Waste Treatment Project</b>	
<p>The future of the Residual Waste Treatment Project continues to be uncertain.</p>	<p>The project is being managed by arc21 on behalf of member councils.</p>
<b>Calculation of Holiday Pay</b>	
<p>Following a legal challenge to another Council in Northern Ireland in relation to the calculation of holiday pay, the judgement determined that normal pay (including a payment for regular overtime) should be received by employees whilst on holidays. We have received a request from an employee,</p>	<p>Our legal advice is that payment should be made. We expect to receive more similar requests and will seek to agree with the unions a way forward with a future implementation date. However, based on the experiences of another Council in Northern Ireland, reserve funding of approximately £75,000 has been identified to cover this eventuality. Following the re-</p>

Issue	Update/Proposed action
backed by GMB union, to receive arrears of pay for regular overtime not paid whilst on holiday.	engagement of Trade Unions, this matter is now an agenda item on the JCNC and should be resolved within the next three to six months.
<b>GDPR</b>	
Adherence to GDPR has been actioned however a level of uncertainty remains in the absence of clear guidance from the ICO and the absence of case law.	We will continue to progress the agreed action plan, which is in line with best practice guidelines, and adapt our approach and actions as necessary based on both staff feedback and further information and guidance from the ICO when it becomes available.
<b>Rate Revaluation and Rate appeals</b>	
In September 2017 the Lands Tribunal amended the 2010-2015 valuation of a significant premise in the Borough. The financial impact to council was £959,000 which was provided for in the 2016/17 Financial Statements.	To mitigate this financial loss various actions during 2017/18 were taken. Budgetary impacts included deferral of capital works, deferral of staff appointments and non-virement of accumulated budgetary savings. Additionally, a new 'Rate Appeal' risk was added to Council's Risk Register, appeal case review meetings were established with Land and Property Services to communicate early warning of future appeal cases and a specific 'Rate Appeal Reserve' has been established to smooth the financial impact of significant rate appeal cases going forward.

Issue	Update/Proposed action
<p><b>Brexit</b></p> <p>Uncertainty surrounding Brexit.</p>	<p>Council will continue to monitor Brexit developments, maintaining close links with the relevant Departments and lead agencies to ensure the Council is appropriately prepared regarding funding and regulatory implications when Brexit occurs.</p>

In addition to the issues above, we have become aware of an information governance incident in 2018/19. This is in respect of the Council uploading third party information onto the Northern Ireland Planning Portal.

We are currently reviewing the circumstances surrounding this issue and will introduce measures to reduce the likelihood of a similar instance happening in the future.

This issue has been reported to the Information Commissioner's Office.




7.1 Previous Years Issues

Issue (as raised in 2016/17 Annual Report)	Update
<p><b>Accounts Payable</b></p> <p>During 2016/17, the Internal Audit reviewed the Accounts Payable system and provided a "limited" level of assurance. The report highlighted issues with respect to: (1) the controls in place to verify changes to supplier's bank details; (2) documentation associated with the manual clearing process; (3) duplicate payments; and (4) the use of confirmation orders.</p>	<p>Significant work has been undertaken to remedy these issues. Management has implemented a number of actions that have strengthened the financial systems and controls. Management is satisfied that the issues have been addressed and will continue to monitor, along with Internal Audit.</p>
<p><b>Contract Management</b></p> <p>Further work is required in respect of contract management. Though contract management policies and procedures exist, a comprehensive review is required to ensure that all contracts have been identified, as such, and that the contract management policies and procedures have been applied for those contracts.</p>	<p>Management have completed a contract review and a Contract Register is now in place. Training and guidance has been provided to contract managers. Contracts are routinely reported to the Corporate Leadership Team and Heads of Service. Management is satisfied that the issues have been addressed and will continue to monitor, along with Internal Audit.</p>
<p><b>Fuel Management</b></p> <p>Responsibility for the management of fuel has historically been a devolved matter and accordingly there is a risk that fuel may not be managed in a consistent and robust manner across the Council. Responsibility has now assigned to the Fleet Management function.</p>	<p>A review was undertaken in 2017/18 and a detailed action plan developed. Management is satisfied that the issues have been addressed and will continue to monitor, along with Internal Audit.</p>

Issue (as raised in 2016/17 Annual Report)	Update
<p><b>Payroll Information</b></p> <p>Some issues were identified in the latter part of 2016/17 with respect to the processes, timeliness and accuracy of notifications provided to Payroll by the other parts of the organisation. (Matters of accuracy were addressed prior to the payroll being processed). Management has investigated the root cause of these issues and has taken formal action to address this.</p>	<p>Management is satisfied that the issues have been addressed, procedures enhanced, and will continue to monitor, along with Internal Audit.</p>
<p><b>Facilities Management</b></p> <p>A lack of management information in the Property Services Section has been identified through a recent Internal Audit review.</p>	<p>This has been addressed through the procurement of a Facilities Management System</p>

Antrim and Newtownabbey Borough Council propose over the coming year to continue to take steps to address the above matters to further enhance governance arrangements. The Council is satisfied that these steps will address the need for improvements that were identified in the review of effectiveness and will monitor their implementation and operation as part of the Council's next annual review.



**Jacqui Dixon**  
**Chief Executive**  
**12 September 2018**



**Councillor S McCarthy**  
**Chairperson of Antrim and Newtownabbey**  
**Borough Council Audit Committee**  
**18 September 2018**

## **REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2018**

### **Introduction**

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

### **Allowance and Remuneration Arrangements**

#### **Councillors**

Allowances are payable by councils to councillors and committee members under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and The Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012, which came into operation on 1 April 2012.

Following a review of allowances, carried out by an independent Councillors' Allowances Remuneration Panel, which was appointed in May 2013, the Minister of the Environment advised the Northern Ireland Assembly in a written statement of the new levels of allowances applicable for councillors from 1 April 2015.

Guidance and determinations on Councillors Allowances applicable from 1 April 2017 were issued by the Department of Communities on 6 July 2016 (Circular LG 14/2016). Details of the allowances paid to individual councillors are published on the Council's website.

Following local elections on 22 May 2014, 462 councillors were elected to the 11 new councils for a four year term. Antrim and Newtownabbey Borough Council had 40 councillors in 2017/18.

#### **Senior Employees**

The remuneration of senior employees employed by the Council is determined by the Council in line with that determined by the National Joint Council (NJC) for Local Government Services. Senior staff are those staff who are members of the Council Leadership Team.

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

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

**Allowances Paid to Councillors**

The total amount paid to Councillors by way of allowances in 2017/18, under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012 was:

Table 1: Total Allowances paid to councillors in 2017/18 (audited information)

Allowance	2017/18		2016/17	
	Total Allowances £	Number of Councillors receiving the Allowance	Total Allowances £	Number of Councillors receiving the Allowance
Basic Allowance	572,621	43	570,752	40
Special Responsibility Allowance	45,831	22	46,176	25
Chairperson/Deputy Mayor Allowance	13,261	2	13,130	2
Vice Chairperson/ Deputy Mayor Allowance	8,671	2	8,594	2
Mileage Allowance	21,811	30	24,749	32
Public Transport and Other Travel Incidentals	2,034	3	8,742	-
Subsistence	1,890	5	4,978	19
Courses/ Conferences Visits (registration & joining fees)	4,617	30	2,957	23
Dependents Carers Allowance	-	-	-	-
<b>TOTAL ALLOWANCES</b>	<b>670,736</b>	<b>-</b>	<b>680,078</b>	<b>-</b>

Details of the allowances paid to individual Councillors in 2017/2018 are published on the Council website at:

[www.antrimandnewtownabbey.gov.uk/council/your-councillors/councillors-allowances-expenses](http://www.antrimandnewtownabbey.gov.uk/council/your-councillors/councillors-allowances-expenses)

\* As previously reported in the Financial Statements 2016/2017 Total Allowances have been restated to provide a detailed split of the costs for Courses/Conferences between Travel and Subsistence.

### Remuneration of Senior Employees

The following table provides details of the remuneration paid to senior employees in 2017/18:

Table 2: Remuneration (including salary) (audited information)

Officers	2017/18				2016/17			
	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100) £'000	Total £'000	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100) £'000	Total £'000
J Dixon	110-115	0	1.5	115-120	110-115	0	2.6	115-120
M McAlister	85-90	0	1.5	90-95	80-85	0	1.2	80-85
G Girvan	80-85	0	2.7	85-90	80-85	0	1.2	80-85
A McCooke	85-90	0	2.8	85-90	80-85	0	1.2	80-85
C Archer Left Dec 2017	70-75 (80-85)	0	1.7	70-75 (80-85)	20-25 (75-80)	0	0	20-25 (75-80)
C McFarland Left June 2016					20-25 (80-85)	0	0.3	20-25 (80-85)

Councils are required to disclose the relationship between the remuneration of the highest paid member of the Council Leadership Team and the median remuneration of the Council's workforce.

The banded remuneration of the highest paid member of the Council Leadership Team in the financial year 2017/18 was £115k - £120k (2016/17 £115-£120k). This was 4.88 times the median remuneration of the workforce, which was £23,918 (2016/17 4.92 times, £23,617).

Table 3: Relationship between the remuneration of the highest paid member of the Executive Management Team/Senior Management Team and the median remuneration of the Councils workforce (audited information)

	2017/18 £'000	2016/17 £'000
Salary Band of Highest Paid member of the Executive Management Team/ Senior	115-120	115-120
Median Total Remuneration	23.91	23.61
Ratio	4.8	4.92

In 2017/18, no employees received remuneration in excess of the highest paid member of the Council Leadership Team.

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

#### Salary

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

#### Bonus Payments

Bonus payments are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2017/18 relate to performance in 2017/18.

#### Benefits in Kind

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

The Chief Executive participates in the Council's car leasing scheme. The cost of this scheme to Council is equivalent to the Essential User allowance paid to all designated users. However, the latter is taxed at source through payroll and the car leasing scheme by submitting a return (P11D) to HM Revenue & Customs at the end of the tax year.

### Exit Packages for staff

The number of exit packages provided to all staff by the Council during 2017/18, together with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Table 4: Exit Packages in 2017/18 (audited information)

Severance Package Cost Band	2017/18				2016/17			
	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000
£0 - £20,000	0	1	1	15	0	6	6	86
£20,001 - £40,000	0	3	3	91	0	2	2	53
£40,001 - £60,000	0	9	9	445	0	3	3	163
£60,001 - £80,000	0	6	6	412	0	2	2	135
£80,001 - £100,000	0	1	1	87	0	0	0	0
£100,001 - £150,000	0	2	2	208	0	1	1	139
£150,001 - £200,000	0	1	1	187	0	0	0	0
<b>Total</b>	<b>0</b>	<b>23</b>	<b>23</b>	<b>1445</b>	<b>0</b>	<b>14</b>	<b>14</b>	<b>576</b>

A further 31 exit packages have been provided for with an estimated value of £1,177k to facilitate departmental reorganisations.

### Pension Benefits

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

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

Councillors have been able to join the Scheme since May 2011. The Scheme application is modified to reflect the fact that councillors hold an elected office. Councillor pension scheme members have always accrued pension on a career average basis. Prior to 1 April 2015 pension was accrued at a rate of 1/60th and thereafter at a rate of 1/49th.

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

1 April 2009. From 1 April 2015, the member contribution rates are determined on the actual rate of pay.

The ranges for the bands for tiered contribution rates are revised by the Department for Communities in April each year in accordance with the increase applied to a pension in payment. The bands, effective from 1 April 2016, were as follows:

Table 5: Employee Contribution Rates

Band	Range	Employee Contribution Rate
1	£0 - £14,100	5.5%
2	£14,101 - £21,500	5.8%
3	£21,501 - £35,900	6.5%
4	£35,901 - £43,400	6.8%
5	£43,401 - £85,800	8.5%
6	More than £85,800	10.5%

Employers' contribution rates are determined by the scheme's actuary every three years at the triennial valuation. The 2013 valuation determined an employers' contribution rate of 20%. The 2016 triennial valuation was undertaken as at 31 March 2016 and an employer contribution rate of 18% and a Council specific deficit recovery contribution of £295,200 per annum set for 2017/18. Whilst the deficit recovery amount will remain static for the next three years the employers contribution rates for 2018/19 and 2019/20 are detailed below:

Table 6: Employer Contribution Rates

Year	Employer Contribution Rate
1 April 2017 - 31 March 2018	18% of Payroll + £295,200
1 April 2018 - 31 March 2019	19% of Payroll + £295,200
1 April 2019 - 31 March 2020	20% of Payroll + £295,200

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

Councillors have been able to join the Scheme since May 2011 and therefore have not accrued significant benefits thus far. However, the in-year pension contributions made by the Council for all Councillors during 2017/18 was £110,131.

The value of pension benefits of the most senior management of the Council accrued during the year was as follows:



Table 7: Pension Benefits of senior staff in 2017/18 (audited information)

Officers	Accrued Pension at pension age as at 31/3/18 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/3/18 £'000	CETV at 31/3/17 £'000	Real increase in CETV £'000
J Dixon	110-115	1.5-2.5	675	615	33
M McAlister	15-20	2.5-5.0	160	131	17
G Girvan	55-60	1.5-2.5	363	328	19
A McCooke	55-60	1.5-2.5	333	300	16
C Archer Left Dec 2017	1-2	0.0-1.5	14	4	5
C McFarland Left June 2016	-	-	-	280	-
	-	-	-	-	-

### The Cash Equivalent Transfer Value (CETV)

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

### The real increase in the value of the CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## CERTIFICATE OF THE CHIEF FINANCIAL OFFICER

I certify that:

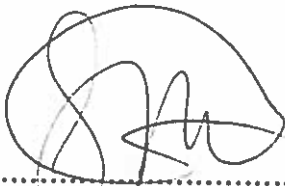
- (a) the Statement of Accounts for the year ended 31 March 2018 on pages 54 to 121 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 58 to 76.
- (b) in my opinion the Statement of Accounts gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

  
.....  
Jacqui Dixon  
Chief Financial Officer

**Date:** 12 September 2018

## **COUNCIL APPROVAL OF STATEMENT OF ACCOUNTS**

These accounts were approved by resolution of the Antrim and Newtownabbey Borough Council Audit Committee on 18 September 2018.



.....  
**Councillor S McCarthy**  
**Chairman of Antrim and Newtownabbey Borough Council Audit Committee**

**Date: 18 September 2018**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANTRIM AND NEWTOWNABBEY BOROUGH COUNCIL**

### **Opinion on financial statements**

I have audited the financial statements of Antrim and Newtownabbey Borough Council for the year ended 31 March 2018 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18, of the financial position of Antrim and Newtownabbey Borough Council as at 31 March 2018 and its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities' directions issued thereunder.

### **Basis of opinion**

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of Antrim and Newtownabbey Borough Council in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

### **Other Information**

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities' directions made under the Local

Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and

- the information given in the Narrative Report for the financial year ended 31 March 2018 is consistent with the financial statements.

#### **Responsibilities of the Chief Financial Officer for the financial statements**

As explained more fully in the Statement of Council's and Chief Financial Officer's Responsibilities, the Chief Financial Officer is responsible for the preparation of the financial statements and for being satisfied that they 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.

#### **Auditor's responsibilities for the audit of the financial statements**

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

I am required to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

#### **Matters on which I report by exception**

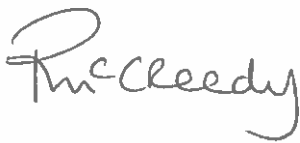
I have nothing to report in respect of the following matters which I report to you if:

- in my opinion:
  - the Annual Governance Statement:
    - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18;
    - does not comply with proper practices specified by the Department for Communities;
    - is misleading or inconsistent with other information I am aware of from my audit; or
  - adequate accounting records have not been kept; or
  - the Statement of Accounts and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
  - I have not received all of the information and explanations I require for my audit, or

- I issue a report in the public interest under Article 9 of the Local Government (Northern Ireland) Order 2005; or
- I designate under Article 12 of the Local Government (Northern Ireland) Order 2005 any recommendation made to the Council; or
- I exercise the other special powers of the auditor under Article 19 to 21 of the Local Government (Northern Ireland) Order 2005.

#### **Certificate**

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



*Pamela McCreedy  
Local Government Auditor  
Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU*

27 September 2018

### Movement in Reserves Statement for the year ended 31 March 2018

	General Fund Summary	Other Fund Balances and Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£	£	£	£	£	£
<b>Balance as at 1 April 2016</b>	<b>7,892,886</b>	<b>3,157,344</b>	<b>-</b>	<b>11,050,230</b>	<b>94,100,762</b>	<b>105,150,992</b>
<b>Movement in reserves during the year</b>						
Surplus/(Deficit) on the provision of services	(483,376)	-	-	(483,376)	-	(483,376)
Other Comprehensive income and Expenditure	-	-	-	-	(10,088,188)	(10,088,188)
<b>Total Comprehensive Income and Expenditure</b>	<b>(483,376)</b>	<b>-</b>	<b>-</b>	<b>(483,376)</b>	<b>(10,088,188)</b>	<b>(10,571,564)</b>
Adjustments between accounting basis & funding under regulations	(760,469)	(1,076,919)	416,800	(1,420,588)	1,420,588	-
<b>Net increase before transfers to Statutory and Other Reserves</b>	<b>(1,243,845)</b>	<b>(1,076,919)</b>	<b>416,800</b>	<b>(1,903,964)</b>	<b>(8,667,600)</b>	<b>(10,571,564)</b>
Transfers to/(from) Statutory and Other Reserves	24,061	(24,061)	-	-	-	-
<b>Increase/(Decrease) in year</b>	<b>(1,219,784)</b>	<b>(1,100,980)</b>	<b>416,800</b>	<b>(1,903,964)</b>	<b>(8,667,600)</b>	<b>(10,571,564)</b>
<b>Balance as at 31 March 2017</b>	<b>6,673,102</b>	<b>2,056,364</b>	<b>416,800</b>	<b>9,146,266</b>	<b>85,433,162</b>	<b>94,579,428</b>
<b>Movement in reserves during the year</b>						
Surplus/(Deficit) on the provision of services	(1,850,553)	-	-	(1,850,553)	-	(1,850,553)
Other Comprehensive Income and Expenditure	-	-	-	-	7,728,034	7,728,034
<b>Total Comprehensive Income and Expenditure</b>	<b>(1,850,553)</b>	<b>-</b>	<b>-</b>	<b>(1,850,553)</b>	<b>7,728,034</b>	<b>5,877,481</b>
Adjustments between accounting basis & funding under regulations	3,191,861	(176,347)	39,287	3,054,801	(3,054,801)	-
<b>Net increase/(decrease) before transfers to Statutory and Other Reserves</b>	<b>1,341,308</b>	<b>(176,347)</b>	<b>39,287</b>	<b>1,204,248</b>	<b>4,673,233</b>	<b>5,877,481</b>
Transfers to/(from) Statutory and Other Reserves	(1,016,000)	1,016,000	-	-	-	-
<b>Increase in year</b>	<b>325,308</b>	<b>839,653</b>	<b>39,287</b>	<b>1,204,248</b>	<b>4,673,233</b>	<b>5,877,481</b>
<b>Balance as at 31 March 2018</b>	<b>6,998,410</b>	<b>2,896,017</b>	<b>456,087</b>	<b>10,350,514</b>	<b>90,106,395</b>	<b>100,456,909</b>

### Comprehensive Income and Expenditure Statement for the year ended 31 March 2018

	Notes	2017/18			* Restated 2016/17		
		Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
<b>Service Expenditure</b>							
Chief Executive	2	481,429	78,030	403,399	502,226	11,066	491,160
Community Planning & Regeneration	2	11,107,424	5,862,227	5,245,197	10,950,750	4,501,733	6,449,017
Organisational Development	2	2,346,261	145,224	2,201,037	2,352,290	147,162	2,205,128
Finance & Governance	2	4,927,500	25,732	4,901,768	4,897,869	29,190	4,868,679
Operations	2	41,143,540	7,573,213	33,570,327	37,336,099	7,249,112	30,086,987
Capital Financing	2	-	-	-	-	-	-
<b>Cost of Services on Continuing Operations</b>		<b>60,006,154</b>	<b>13,684,426</b>	<b>46,321,728</b>	<b>56,039,234</b>	<b>11,938,263</b>	<b>44,100,971</b>
Other Operating Expenditure	8	-	20,436	(20,436)	-	40,541	(40,541)
Financing and Investment Income and Expenditure	9	3,583,108	42,608	3,540,500	3,543,704	23,235	3,520,469
(Surplus) or Deficit on Discontinued Operations							
Share of Operating Results of associates and joint ventures	30	-	-	-	-	-	-
<b>Net Operating Expenditure</b>		<b>63,589,262</b>	<b>13,747,470</b>	<b>49,841,792</b>	<b>59,582,938</b>	<b>12,002,039</b>	<b>47,580,899</b>
Taxation and Non-Specific Grant Income	10	-	47,991,239	(47,991,239)	-	47,097,523	(47,097,523)
<b>Surplus (Deficit) on the Provision of Services</b>		<b>63,589,262</b>	<b>61,738,709</b>	<b>(1,850,553)</b>	<b>59,582,938</b>	<b>59,099,562</b>	<b>(483,376)</b>
(Surplus)/Deficit on revaluation of non-current assets	11			(7,560,749)			(1,930,999)
Surplus/(Deficit) arising on revaluation of available-for-sale financial assets	27			-			-
Remeasurements of the Net Defined Benefit Liability/(Asset)	20			(167,285)			12,019,187
Share of Other Comprehensive Expenditure & Income of associates and joint ventures	30			-			-
<b>Other Comprehensive Income and Expenditure</b>				<b>(7,728,034)</b>			<b>10,088,188</b>
<b>Total Comprehensive Income and Expenditure</b>				<b>5,877,481</b>			<b>(10,571,564)</b>

\*The comparative figures have been restated. See note 30.



**Balance Sheet as at 31 March 2018**

	Note	31st March 2018	31st March 2017
		£	£
Fixed Assets	11	186,481,441	179,893,786
Long Term Investments	16	-	-
Investment in Associates and Joint Ventures	30	-	-
Long Term Debtors	15	851	4,991
<b>LONG TERM ASSETS</b>		<b>186,482,292</b>	<b>179,898,777</b>
Short Term Investments	16	-	-
Inventories	14	287,164	285,158
Short Term Debtors	15	4,021,216	4,272,928
Cash and Cash Equivalents	25	2,684,055	2,913,668
Assets Held for Sale	11	-	-
<b>CURRENT ASSETS</b>		<b>6,992,435</b>	<b>7,471,754</b>
Bank Overdraft	25	-	-
Short Term Borrowing	17	6,001,216	5,481,895
Short Term Creditors	18	7,053,791	6,562,294
Provisions	19	1,488,874	2,312,445
<b>CURRENT LIABILITIES</b>		<b>14,543,881</b>	<b>14,356,634</b>
Long Term Creditors	18	-	-
Provisions	19	490,921	624,235
Long Term Borrowing	17	45,236,016	48,237,234
Other Long Term Liabilities	21	32,747,000	29,573,000
Donated Assets Account	22	-	-
Capital Grants Receipts in Advance	23	-	-
<b>LONG TERM LIABILITIES</b>		<b>78,473,937</b>	<b>78,434,469</b>
<b>NET ASSETS</b>		<b>100,456,909</b>	<b>94,579,428</b>
<b>USABLE RESERVES</b>			
Capital Receipts Reserve	26	456,087	416,800
Capital Grants Unapplied Account	26	-	176,347
Capital Fund	26	-	-
Renewal and Repairs Fund	26	891,460	848,075
Other Balances and Reserves	26	2,004,557	1,031,942
General Fund	26	6,998,410	6,673,102
		<b>10,350,514</b>	<b>9,146,266</b>
<b>UNUSABLE RESERVES</b>			
Capital Adjustment Account	26	81,684,327	80,004,010
Financial Instruments Adjustment Account	26	-	-
Revaluation Reserve	26	41,492,840	35,321,702
Available for Sale Financial Instruments Reserve	26	-	-
Pensions Reserve	26	(32,747,000)	(29,573,000)
Capital Receipts Deferred Account	26	-	-
Accumulated Absences Account	26	(323,772)	(319,550)
Landfill Regulations Reserve		-	-
Provisions Discount Rate Reserve		-	-
		<b>90,106,395</b>	<b>85,433,162</b>
<b>NET WORTH</b>		<b>100,456,909</b>	<b>94,579,428</b>

**Cash Flow Statement for the year ended 31 March 2018**

	Note	2017/18	2016/17
		£	£
Net Deficit on the provision of services		(1,850,553)	(483,376)
Adjustment for non-cash movements		6,101,260	7,922,072
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		(64,741)	(1,228,821)
<b>Net cash flows from operating activities</b>	<b>25</b>	<b>4,185,966</b>	<b>6,209,875</b>
Cash flows from Investing Activities	25	(1,933,682)	(2,430,672)
Net Cash flows from Financing Activities	25	(2,481,897)	(3,829,929)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(229,613)</b>	<b>(50,726)</b>
Cash and cash equivalents at the beginning of the reporting period		2,913,668	2,964,394
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>2,684,055</b>	<b>2,913,668</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1A Accounting Policies

#### General Principles

The Statement of Accounts summarises the Council's transactions for the 2017/18 financial year and its position at the year-end of 31 March 2018. The Council is required to prepare an annual Statement of Accounts in a form directed by the Department for Communities in accordance with regulations 3 (7) and (8) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 and the Service Reporting Code of Practice 2017/18, 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.

#### Changes to Presentation of Comprehensive Income and Expenditure Statement (CIES)

The 2016/17 Code of Practice Section 3.4 (Presentation of Financial Statements) included amendments on the presentation of the financial statements. This was to reflect the reporting requirements for the Comprehensive Income and Expenditure Statement (CIES) and the Movement in Reserves Statement and introduced a new Expenditure and Funding Analysis as a result of the 'Telling the Story' review of improvements to the presentation of local authority financial statements.

The Department for Communities Accounts Direction, issued in March 2017 superseded the Code and the requirements of 'Telling the Story' for reporting financial performance was delayed until 2017/18.

From 2017/18, the service expenditure analysis in the CIES is based on that used to report internally to management rather than the standard headings prescribed in the Service Reporting Code of Practice (SeRCOP) which was used up to and including 2016/17.

As a consequence, the Cost of Services in the CIES is now presented in the same way that the Council is organised, i.e. at a departmental level.

This affects the treatment of support service costs or overheads. Under SeRCOP, support service costs were apportioned out to front line services to determine the total cost of providing a service or presented as non-distributed costs where it was not appropriate to do so. Under the new segmental reporting requirements, as support services generally fall within Community Planning and Regeneration, Finance and Governance and Organisational Development they are presented in the CIES separately in their own right under these headings rather than apportioned out.

It is important to note that, although there has been a change in presentation, the income and expenditure in the CIES 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. The income and expenditure reported in the CIES will not therefore correspond to the amount charged to the General Fund reported against the Council's budget.

A new disclosure note "Funding and Expenditure Analysis" has been added as Note 2 to provide a high level reconciliation of the expenditure analysis reported in the CIES to the net amount charged to the General Fund which is to be funded by taxation.

The change in the presentation of the CIES represents a change in accounting policy. Accordingly, comparatives in the CIES have been restated so that they are on a like for like basis with the presentation of figures reported in 2016/17.

The Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 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) Provision for Job Evaluation**

The Council makes provision for the costs of meeting liabilities for job evaluations by staff as required.

#### **iii) Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than three months 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 include bank overdrafts that are repayable on demand as they form an integral part of the Council's cash management.

#### **iv) 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.

**v) 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.

**vi) Employee Benefits**

**Short-term 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 relevant service 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 General 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. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

**Post Employment Benefits**

Employees of the Council are members of The Local Government Pension Scheme (Northern Ireland) ('The Scheme') 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 Local Government Pension Scheme (Northern Ireland)**

The Local Government Pension Scheme (Northern Ireland) ('The Scheme') is accounted for as a defined benefits scheme.

The liabilities of the Local Government Pension Scheme (Northern Ireland) ('The Scheme') attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – ie 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 (based on the rate of return on a high quality corporate bond of equivalent term and currency to the Council's Fund liabilities determined using the constituents of the iBoxx index of AA rate corporate bonds).

The assets of the Local Government Pension Scheme (Northern Ireland) ('The Scheme') 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 nine components:

***Within the Cost of Services***

- **Current Service Cost** – the increase in the present value of the defined benefit obligation (liabilities) resulting from employee service in the current period.
- **Past Service Cost** – the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction in the number of employees covered by the plan).
- **Any Gains or Losses on Settlement** – arising where the council enters into a transaction that eliminates all further legal or constructive obligations for part or all of the benefits provided under a defined benefit plan.

***Within Financing and Investment Income and Expenditure***

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

***Within Other Comprehensive Income and Expenditure***

- **The Return on Plan Assets** – excluding amounts recognised in the Net Interest on the Net Defined Benefit Liability (Asset). This includes interest, dividends and other income derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of managing plan assets and any tax payable by the plan itself other than tax included in the actuarial assumptions used to measure the present value of the defined benefit obligation.
- **Actuarial Gains and Losses** – changes in the present value of the defined benefit obligation resulting from: a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and b) the effects of changes in actuarial assumptions.
- **Any change in the Effect of the Asset Ceiling** – excluding amounts included in the Net Interest on the Net Defined Benefit Liability (Asset).

### **Within the Movement in Reserves Statement Appropriations**

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

• **Contributions by the Employer** - the increase in Scheme assets due to payments into the Scheme by the employer.

In relation to retirement benefits, statutory provisions require the General 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 General 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 Local Government Pension Scheme (Northern Ireland) (the Scheme).

#### **Northern Ireland Civil Service Pension Scheme**

As a result of Local Government Reform on 1 April 2015, staff that transferred from Central Government to the Council retained membership of the Northern Ireland Civil Service (NICS) Pension Scheme. The schemes provide defined benefits to members (retirement lump sums and pensions). However, the arrangements for the NICS Pension Scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.

#### **vii) Events After the Balance Sheet Date**

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

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

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

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

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

**viii) Exceptional Items**

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

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

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the 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.

**x) 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 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 General Fund Balance to be spread over future years. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

#### Financial Assets

Financial assets are classified into two types:

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

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

#### Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are then measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

When soft loans are made (loans at less than market value), 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 General 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 General 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).

**xi) 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.

**xii) 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 General 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.

**xiii) Intangible Assets**

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

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

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

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

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

**xiv) Inventories**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the First-In, First-Out (FIFO) costing formula.

**xv) 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 General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

**xvi) 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.

## xvii) 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 debt principle repaid 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 General 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 General 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 General 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 district rates, 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 General 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.

#### **xviii) 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 is 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 in excess of £5,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve and can only then be used for new capital investment or to repay borrowings.

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 General Fund Balance in the Movement in Reserves Statement.

**xix) Overheads and Support Services**

New segmental reporting requirements were introduced for 2017/18, due to the fact that support services are operated, managed and reported as separate segments they are not apportioned across services but instead reported separately in their own right in the Comprehensive Income and Expenditure Statement. Under the Council's current reporting structure such costs predominantly fall within Community Planning and Regeneration, Finance and Governance and Organisational Development.

**xx) 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.

The following are de minimis levels for each asset type i.e. assets costing less than these amounts are not capitalised:

Community Assets	£5,000
Plant and Equipment	£5,000
Information Technology	£ 500

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.

Capital receipts from the disposal of assets are treated in accordance with the provisions of the Local Government Finance Act (Northern Ireland) 2011. Capital receipts must be used to fund capital expenditure or repay debt subject to the de minimis level set out in the relevant regulations (currently £5,000). Receipts less than the de minimis level are treated as revenue.

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 General 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 2007 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 as follows:

- 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:

- buildings - straight line allocation over the estimated useful life of the asset as directed by the valuer
- vehicles – 25% reducing balance
- plant and equipment - straight line allocation over the estimated useful life of the asset, typically 5-10 years
- information technology - straight line allocation over 4 years

#### 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. Componentisation is only applicable to larger value land and buildings or equipment assets.

#### 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.

Council land and buildings were revalued at 31 March 2018 by Land and Property Services in accordance with the RICS Valuation Professional Standards 8<sup>th</sup> Edition, on the assumption that the Council will continue to be in occupation.

#### **xxi) Heritage Assets**

Heritage Assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture.

Heritage Assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historic associations. They are held by this Council in pursuit of our overall objectives in relation to the maintenance of heritage.

Heritage Assets are managed by the Council's Museums and Heritage Service, whose aim is to collect, preserve and interpret the history of the Borough of Antrim and Newtownabbey and to provide accessible and enjoyable public services and programmes relevant to a diverse needs and interests.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment.

However, some of the measurement rules are relaxed in relation to heritage assets as detailed below.

The Council's Heritage Assets comprise property with historic significance, art, sculptures, artefacts and civic regalia.

#### **Other**

Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at valuation with valuations provided by the external valuers and with reference to appropriate commercial markets using the most relevant and recent information from sales at auctions or insurance valuation.

#### **Heritage Assets - General**

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's policy (xx) Property, Plant and Equipment.

The proceeds of any disposals of Heritage Assets are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts (see note xviii) Disposals and Non-Current Assets Held for Sale.

#### **xxii) 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.

#### **xxiii) 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 General 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 General 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.

**xxiv) 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 amortisation. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with guidance issued by the Department of the Environment. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by minimum revenue provision - MRP in the General Fund Balance, by the way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

**xxv) Revenue Expenditure Funded from Capital under Statute (REFCUS)**

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 (MIRS) from the General Fund Balance to the Capital Adjustment Account (CAA) then reverses out the amounts charged, so that there is no impact on the level of District Rates. REFCUS may be offset in the relevant service by grants received to part/fully fund the related expenditure, these grants are transferred in the MIRS from the General Fund Balance to the CAA then reverses out the amounts credited, resulting in no impact on the level of District Rates.

**xxvi) Revenue Expenditure Funded from Capital under Capitalisation Direction (REFCUD)**

Section 19(3) of the Local Government Finance Act (Northern Ireland) 2011 allows the Department for Communities (formerly Department of the Environment) to issue capitalisation directions to the Council. This permits specified items of expenditure normally classified as revenue to be treated as capital expenditure. The costs of transition associated with the Reform of Local Government were allowed for capitalisation. The Council received approval from the Department to capitalise up to £2.7m of such costs during the financial year ending 31 March 2018.

Expenditure incurred during the year that may be capitalised under a capitalisation direction 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 (MIRS) from the General Fund Balance to the Capital Adjustment Account (CAA) then reverses out the amounts charged, so that there is no impact on the level of District Rates. REFCUD may be offset in the relevant service by grants received to part/fully fund the related expenditure, these grants are transferred in the MIRS from the General Fund Balance to the CAA then reverses out the amounts credited, resulting in no impact on the level of District Rates.

**xxvii) Value Added Tax**

VAT is included within the accounts only to the extent that it is irrecoverable.

**1B Accounting Standards That Have Been Issued but Have Not Yet Been Adopted**

The Code of Practice requires that the Council discloses information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

For 2017/18, the following accounting standards have been issued but not yet adopted within the Code of Practice on Local Authority Accounting.

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers including amendments to IFRS 15 Clarifications to IFRS 15 Revenue from Contracts with Customers
- amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses
- amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

IFRS 9 includes a single classification approach for financial assets driven by cash flow characteristics and how an instrument is managed, and a forward looking 'expected loss' model for impairment rather than the current 'incurred loss' model.

IFRS 15 introduces a five-step process for recognising revenue based on the transfer of control rather than the current transfer of risk and rewards.

Amendments to IAS 12 clarify how to account for deferred tax assets related to debt instruments measured at fair value and only apply to group accounts. Amendments to IAS 7 may require additional disclosures around changes in liabilities arising from financing activities.

It is not anticipated that these accounting changes will impact on the financial statements.

**1C Critical Judgements in Applying Accounting Policies**

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

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

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

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

The items in the Council's Balance Sheet at 31 March 2018 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

**Property, Plant and Equipment**

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

current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.

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

It is estimated that the annual depreciation charge for buildings would increase by £311k for every year that useful lives had to be reduced.

#### **Provisions**

The Council has made provisions as set out in Note 19.

#### **Pensions Liability**

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

The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption for funded benefits would result in a decrease in the pension liability of £3m.

#### **Sundry Debtors**

At 31 March 2018, the Council had a balance of sundry debtors for £999,058 (2016/17 £893,872). A review of significant balances suggested that an allowance for doubtful debts of £85,071 (2016/17 £96,411) was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.

## 2 Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (District Rates and Government Grants) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's directorates.

The performance for 2016/17 was reported using the standard heading prescribed in the Service Reporting Code of Practice, see Note 30.

	2017/18			2016/17		
	Net Expenditure Chargable to the General Fund	Adjustments Between the Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargable to the General Fund	Adjustments between the Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£	£	£	£	£	£
Chief Executive	317,957	(85,442)	403,399	403,499	(87,661)	491,160
Community Planning & Regeneration	5,984,946	739,749	5,245,197	5,448,565	(1,000,452)	6,449,017
Organisational Development	3,227,800	1,026,763	2,201,037	5,116,419	2,911,291	2,205,128
Finance & Governance	4,191,912	(709,856)	4,901,768	4,373,310	(495,369)	4,868,679
Operations	26,508,107	(7,062,220)	33,570,327	23,748,902	(6,338,085)	30,086,987
Capital Financing	4,982,182	4,982,182	-	5,424,969	5,424,969	-
<b>Net Cost of Services</b>	<b>45,212,904</b>	<b>(1,108,824)</b>	<b>46,321,728</b>	<b>44,515,664</b>	<b>414,693</b>	<b>44,100,971</b>
<b>Other Income and Expenditure</b>	<b>(45,538,212)</b>	<b>(1,067,037)</b>	<b>(44,471,175)</b>	<b>(43,295,880)</b>	<b>321,715</b>	<b>(43,617,595)</b>
<b>(Surplus) Deficit</b>	<b>(325,308)</b>	<b>(2,175,861)</b>	<b>1,850,553</b>	<b>1,219,784</b>	<b>736,408</b>	<b>483,376</b>
<b>Opening General Fund</b>			<b>6,673,102</b>			<b>7,892,886</b>
<b>Surplus/ (Deficit) on General Fund Balance in Year</b>			<b>325,308</b>			<b>(1,219,784)</b>
<b>Closing General Fund</b>			<b>6,998,410</b>			<b>6,673,102</b>

## 2b Note to the Expenditure and Funding Analysis

Adjustments to General Fund Balances to meet the requirements of generally accepted accounting practices, this column adds in depreciation and impairment and revaluation gains and losses in the services line and for:

- i) Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- ii) Financing and investment income and expenditure - the statutory charges for capital financing ie Minimum Revenue Provision and other revenue contributions are deducted from financing and investment income and expenditure as these are not chargeable under generally accepted accounting practices.
- iii) Taxation and Non Specific Grant Income and Expenditure – Capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

### Adjustments between Funding and Accounting Basis 2017/18

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Statutory Adjustments	Other Differences	Total
	£	£	£	£	£
Chief Executive	(66,563)	(19,977)	1,098	-	(85,442)
Community Planning & Regeneration	1,153,265	(401,028)	(12,488)	-	739,749
Organisational Development	1,288,874	(263,309)	1,198	-	1,026,763
Finance & Governance	(300,807)	(411,152)	2,103	-	(709,856)
Operations	(5,540,268)	(1,525,819)	3,867	-	(7,062,220)
Capital Financing	4,982,182	-	-	-	4,982,182
<b>Net Cost of Services</b>	<b>1,516,683</b>	<b>(2,621,285)</b>	<b>(4,222)</b>	<b>-</b>	<b>(1,108,824)</b>
Other Income and Expenditure from the Expenditure and Funding Analysis	(347,037)	(720,000)	-	-	(1,067,037)
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>1,169,646</b>	<b>(3,341,285)</b>	<b>(4,222)</b>	<b>-</b>	<b>(2,175,861)</b>

**Adjustments between Funding and Accounting Basis 2016/17**

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Statutory Adjustments	Other Differences	Total
	£	£	£	£	£
Chief Executive	(3,333)	(5,702)	(78,626)	-	(87,661)
Community Planning & Regeneration	(489,454)	(80,408)	(430,590)	-	(1,000,452)
Organisational Development	(112,950)	(56,055)	3,080,296	-	2,911,291
Finance & Governance	(443,664)	(179,210)	127,505	-	(495,369)
Operations	(3,515,095)	(348,438)	(2,474,552)	-	(6,338,085)
<b>Net Cost of Services</b>	<b>860,473</b>	<b>(669,813)</b>	<b>224,033</b>	<b>-</b>	<b>414,693</b>
Other Income and Expenditure from the Expenditure and Funding Analysis	830,715	(509,000)	-	-	321,715
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	1,691,188	(1,178,813)	224,033	-	736,408

**2c Segmental Analysis of Income and Expenditure**

The income and expenditure chargeable to the General Fund for the Council's directorates as shown in the first column of the Expenditure and Funding analysis (note 2a) is analysed below:

2017/18

Service	Interest Expense	Interest Revenue	Revenue from External Customers	Revenue from Government Sources	Utilities	Property Maintenance	Transportation	Waste Treatment	Supplies & Services	Minimum Revenue Provision
Chief Executive			(78,000)			0	3,307		222,208	
Community Planning & Regeneration			(2,344,507)	(2,151,680)	456,477	1,347,886	175,393		3,439,082	
Finance & Governance			(21,134)	(1,598)	222	5,583	69,184		1,516,145	
Operations			(7,163,770)	(393,461)	1,272,791	2,938,746	2,162,730	7,660,047	3,798,693	
Organisational Development			(90,728)	(54,496)	1,786	12,937	17,263		345,040	
Capital Financing										4,982,182
Financing & Investment	2,863,108	(12,608)	(30,000)							
<b>Total 2017/18</b>	<b>2,863,108</b>	<b>(12,608)</b>	<b>(7,657,639)</b>	<b>(2,149,735)</b>	<b>1,731,276</b>	<b>4,299,369</b>	<b>2,345,517</b>	<b>7,660,047</b>	<b>7,656,066</b>	<b>4,982,182</b>

2016/17

Service	Interest Expense	Interest Revenue	Revenue from External Customers	Revenue from Government Sources	Utilities	Property Maintenance	Transportation	Waste Treatment	Supplies & Services	Minimum Revenue Provision
Chief Executive			(11,066)			357	5,352		244,313	
Community Planning & Regeneration			(2,410,512)	(2,091,222)	408,858	1,459,914	172,905	(186)	3,727,950	
Finance & Governance			(23,985)	(4,204)		13,337	123,654		1,588,081	
Operations			(6,830,361)	(417,703)	1,244,759	2,730,111	2,095,342	7,148,440	4,008,971	
Organisational Development			(95,473)	(51,690)	2,020	13,817	21,645		344,164	
Capital Financing										3,781,637
Financing & Investment	3,034,704	(23,235)								
<b>Total 2016/17</b>	<b>3,034,704</b>	<b>(23,235)</b>	<b>(9,375,397)</b>	<b>(2,564,819)</b>	<b>1,655,645</b>	<b>4,211,928</b>	<b>2,367,304</b>	<b>7,148,254</b>	<b>9,668,508</b>	<b>3,781,637</b>



### 3 Expenditure and Income Analysed by Nature

Expenditure		2017/18	2016/17
	Notes	£	£
Employee Benefits Expenses	7	(24,705,004)	(23,852,109)
Other Services Expenditure		-	-
Support Service Recharges		-	-
Depreciation, Amortisation, Impairment	11	(6,356,759)	(6,172,079)
Interest Payments	9	(2,863,108)	(3,034,704)
Gain on the Disposal of Assets	8	21,225	42,755
Other Expenditure		(29,685,616)	(26,566,801)
<b>Total Expenditure</b>		<b>(63,589,262)</b>	<b>(59,582,938)</b>

Income		2017/18	2016/17
	Notes	£	£
Fees, Charges and other service Income		-	-
Interest and Investment Income	9	42,608	23,235
District rate income	10	45,483,946	43,739,734
Government grants and Contributions	10	2,507,293	3,357,789
Support Service Income		-	-
Other Income		13,704,862	11,978,804
<b>Total Income</b>		<b>61,738,709</b>	<b>59,099,562</b>

<b>Surplus/(Deficit) on the Provision of Services</b>		<b>(1,850,553)</b>	<b>(483,376)</b>
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**4a Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:**

	Notes	2017/18		2016/17	
		£	£	£	£
Impairments (losses & reversals) of non-current assets		-		-	
Derecognition (other than disposal) of non-current assets	11	-		-	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	11	(1,530,767)		(3,338,436)	
Depreciation charged in the year on non-current assets	11	6,356,759	4,825,992	6,172,079	2,833,643
Donated Asset	11		(1,360,539)		-
Net Revenue expenditure funded from capital under statute	12		198,403		87,521
Net Revenue expenditure funded from capital under direction	12		1,211,359		1,643,332
Carrying amount of non current assets sold	8	18,062		374,045	
Proceeds from the sale of PP&E, investment property and intangible assets	8	(39,287)	(21,225)	(416,800)	(42,755)
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements			-		-
Net charges made for retirement benefits in accordance with IAS 19	21		6,610,000		4,691,000
Direct revenue financing of Capital Expenditure	12		-		-
Capital Grants and Donated Assets Receivable and Applied in year	10		(25,454)		(647,870)
Capital Grants Receivable and Unapplied in year	10		-		(164,151)
Rates Claw-Back Reserve	26		-		-
Adjustments in relation to Short-term compensated absences	26		4,222		(224,033)
Adjustments in relation to Lessor Arrangements			-		-
Landfill Regulations Reserve Adjustment			-		-
Provisions Discount Rate Reserve Adjustment			-		-
<b>Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year</b>					
Statutory Provision for the financing of Capital Investment	26		(4,982,182)		(5,424,969)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	21		(3,268,715)		(3,512,187)
			<b>3,191,861</b>		<b>(760,469)</b>

**4b Net transfers (to) / from statutory and other reserves**

	Notes	2017/18 £	2017/18 £	2016/17 £	2016/17 £
<b>Capital Fund</b>					
Interest		-	-	-	-
From Capital		-	-	-	-
Other	26	-	-	-	-
<b>Renewal and Repairs Fund</b>					
Interest		-	-	-	-
Other	26	(43,385)	(43,385)	-	-
<b>Capital Receipts Reserve</b>					
Interest		-	-	-	-
Other	26	-	-	-	-
<b>Other Funds and earmarked reserves</b>					
Interest		(2,393)	-	(3,588)	-
From Other funds		(970,222)	-	27,649	-
Other	26	-	(972,615)	-	24,061
			(1,016,000)		24,061

**5a General Power of Competence**

Prior to Local Government Reform on 1st April 2015, expenditure for special purposes was limited under Section 40 of the Local Government Finance Act (Northern Ireland) 2011. This section was repealed by Schedule 10 of the Local Government Act (Northern Ireland) 2014.

Under Section 79 of the Local Government Act (Northern Ireland) 2014, the Council has the power to do anything that individuals generally may do. Councils have the power to do this with or without charge. The power of competence is not limited to benefitting the area or its residents nor is it limited by existing powers.

The actual expenditure under the power of competence amounted to £nil during 2017/18 (£nil 2016/17).

**5b External Audit Fees**

The Council has incurred the following costs relating to the annual audits of its Statement of Accounts and Performance Improvement Audit provided by the Councils external auditors.

	2017/18 £	2016/17 £
External Audit Fees	38,000	42,000
Performance Improvement Audit	23,250	15,904
Other	-	-
	61,250	57,904

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

## 6a Operating and Finance Leases

### Council as Lessor:

Gross receivables from finance leases	2017/18	2016/17
	£	£
<b>Long Term Debtors</b>		
Finance leases- gross receivables	-	-
Less - Unearned finance income	-	-
Less - Unguaranteed residual value of property	-	-
<b>Net Present Value</b>	-	-
<b>Short Term Debtors</b>		
Finance leases- gross receivables	-	-
Less - Unearned finance income	-	-
Less - Unguaranteed residual value of property	-	-
<b>Net Present Value</b>	-	-
<b>Gross receivables from finance leases</b>		
No later than 1 year	-	-
Later than 1 year and no later than 5 years	-	-
Later than 5 years	-	-
<b>Total gross receivables</b>	-	-
Less-Unearned future finance income on finance leases	-	-
Less-Unguaranteed residual value of property	-	-
<b>Net investment in finance leases</b>	-	-

The net investment in finance leases may be analysed as follows:

	2017/18	2016/17
	£	£
No later than 1 year	-	-
Later than 1 year and no later than 5 years	-	-
Later than 5 years	-	-
<b>Total gross receivables</b>	-	-

## 6b 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 £196,502. No contingent rents were recognised.

	2017/18		2016/17	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
<b>Minimum lease rentals receivable:</b>				
No later than 1 year	183,020	-	144,498	-
Later than 1 year and no later than 5 years	594,877	-	463,733	-
Later than 5 years	652,674	-	675,259	-
	<b>1,430,571</b>	<b>-</b>	<b>1,283,490</b>	<b>-</b>

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

	2017/18		2016/17	
	Land and Buildings £	Vehicles, Plant and Equipment £	Restated * Land and Buildings £	Vehicles, Plant and Equipment £
Cost	5,247,820	-	5,305,116	-
Accumulated depreciation and impairments at 1 April	(125,245)	-	(117,263)	-
Depreciation charge for the year	(80,828)	-	(80,305)	-
Impairments	5,775,385	-	15,026	-
	<b>10,817,132</b>	<b>-</b>	<b>5,122,574</b>	<b>-</b>

\*As previously reported in the Financial Statements 2016/2017 Land and Buildings have been restated to exclude those properties with a lease renewed annually.

**Council as Lessee:**

**6c Finance Leases (Council as lessee)**

The Council has not leased any assets under a finance lease.

**6d Operating Leases (Council as lessee)**

The Council has entered into a number of agreements to lease vehicles; this includes an agreement entered into for the lease of the Mayor's car.

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

	2017/18		2016/17	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Minimum lease payments	-	33,008	-	36,094
Contingent rentals	-	-	-	-
Less: Sublease payments receivable	-	(15,458)	-	(18,544)
<b>Total</b>	-	<b>17,550</b>	-	<b>17,550</b>

Sub-lease payments received relate to employee contributions for the use of the leased cars. The total of future minimum sub-lease payments expected to be received for the leased cars at 31 March 2018 is £18,042 (2016/17 £23,286).

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

	2017/18		2016/17	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
<b>Minimum lease rentals payable:</b>				
No later than 1 year	-	30,218	-	27,954
Later than 1 year and no later than 5 years	-	4,438	-	25,779
Later than 5 years	-	-	-	-
<b>Total</b>	-	<b>34,656</b>	-	<b>53,733</b>

## 7 Employee Costs and Members' Allowances

### 7a Staff Costs

	2017/18	2016/17
	£	£
Salaries and Wages	19,232,240	18,772,963
Employers NIC	1,658,612	1,623,721
Employers Superannuation	3,814,152	3,455,425
<b>Total staff costs</b>	<b>24,705,004</b>	<b>23,852,109</b>

In addition, agency costs during the year amounted to £1,674,332 (2016/17 £1,898,848).

The Council's current contribution rate to the Local Government Pension Scheme (Northern Ireland) (the Scheme) is 18% plus a 'Deficit Recovery Contribution' of £295,200. At the last actuarial valuation, 31 March 2016, the Funding level has increased to 96% from 91% at the previous valuation at 31 March 2013.

Included in the above are costs of £2,621,627 (2016/17 £575,700) incurred as a result of a further phase of the Council's voluntary severance scheme for staff introduced as an efficiency measure. Included in Salaries and Wages are redundancy costs of £2,140,172 (2016/17 £478,616) and superannuation costs of £517,455 (2016/17 £97,084). These figures include estimated costs of £1,176,587 for 31 staff expected to leave the Council following departmental reorganisations.

### 7b Average Number of Employees - where FTE represents full time equivalent employees

	2017/18	2016/17
	FTE	FTE
Chief Executive	1	1
Community Planning & Regeneration	125	119
Organisational Development	36	38
Finance & Governance	51	53
Operations	450	459
<b>Total Number</b>	<b>663</b>	<b>670</b>

	2017/18	2016/17
	Actual Numbers	Actual Numbers
Full-time numbers employed	590	600
Part-time numbers employed	215	188
<b>Total Number</b>	<b>805</b>	<b>788</b>

### 7c Senior Employees' Remuneration

	2017/18	2016/17
	£	£
£50,001 to £60,000	14	15
£60,001 to £70,000	1	-
£70,001 to £80,000	1	-
£80,001 to £90,000	3	3
£90,001 to £100,000	1	-
£100,001 to £110,000	-	-
£110,001 to £120,000	1	1
<b>Total Number</b>	<b>21</b>	<b>19</b>

### 7d Members' Allowances

During the year Members' allowances (paid under Sections 31 – 34 of the Local Government Finance Act (Northern Ireland) 2011), including Employer's costs, totalled £842,301 (2016/17 £869,172) and are as follows:

	2017/18	2016/17
	£	£
Salaries	-	-
Basic allowance	572,621	570,752
Mayor's & Deputy Mayor's Allowance	21,932	21,724
Special Responsibility Allowances	45,831	46,176
Dependents' carers allowance	-	-
Employer costs	156,585	169,962
Mileage	21,811	24,749
Conferences and Courses	4,617	2,957
Travel & Subsistence Costs	3,924	13,720
Miscellaneous Costs	20,571	19,132
Severance Payments	-	-
<b>Total</b>	<b>847,892</b>	<b>869,172</b>

During the year allowances of £900 (£1,200 2016/17) were paid to Committee Members who were not Councillors.

\* As previously reported in the Financial Statements 2016/2017 Members' Allowances have been restated to provide a detailed split of the costs for Courses/Conferences between Travel and Subsistence.

### 7e Northern Ireland Civil Service Pension Arrangements

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Department for Communities is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31/03/2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DFP Superannuation and Other Allowances Resource Accounts as at 31 March 2018.

For 2017/18, employers' contributions of £188,117 (2016/17 £209,688) were payable to the Northern Ireland Civil Service pension arrangements at one of four rates in the range 20.8% to 22.8% (2016/17 20.8% to 22.8%) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2012 was completed by the actuary during 2014-15. This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2015. The contribution



rates are set to meet the cost of the benefits accruing during 2017/18 to be paid when the member retires, and not the benefits paid during this period to existing pensioners. No employees opted to open a partnership pension account - a stakeholder pension with an employer contribution.

No persons retired early on ill-health grounds under this scheme; the total additional accrued pension liabilities in the year amounted to £Nil (2016/17 £Nil).

## 8 Other Operating Expenditure

### 8a Surplus/Deficit on Non-Current Assets (excl Investment Properties)

	2017/18	2016/17
	£	£
Proceeds from sale	(39,287)	(416,800)
Carrying amount of non-current assets sold (excl Investment Properties)	18,062	374,045
	(21,225)	(42,755)

### 8b Other Operating Income/Expenditure

	2017/18	2016/17
	£	£
Income	-	-
Expenditure	789	2,214
	789	2,214

Other Operating Expenditure	2017/18	2016/17
	£	£
(Surplus) / Deficit on Non Current Assets	(21,225)	(42,755)
Other Operating (Income) / Expenditure	789	2,214
	(20,436)	(40,541)

**9 Financing and Investment Income and Expenditure**

**9a Interest Payable and Similar Charges**

	2017/18	2016/17
	£	£
Lease/hire purchase interest	-	-
Bank interest	-	-
Government Loan Interest	2,485,363	2,656,454
Commercial Loan Interest	377,035	378,250
Other interest	710	-
	<b>2,863,108</b>	<b>3,034,704</b>

**9b Interest and Investment Income**

	2017/18	2016/17
	£	£
Bank Interest	12,507	22,646
Employee car loan interest	101	589
NIHE Loan interest receivable	-	-
<i>Investment income on Fund Balances</i>		
Capital Fund	-	-
Repairs & Renewals Fund	-	-
Other Funds	-	-
Other investment income	30,000	-
	<b>42,608</b>	<b>23,235</b>

**9c Pensions interest cost and expected return on pensions assets**

	2017/18	2016/17
	£	£
Net interest on the net defined benefit liability (asset)	720,000	509,000
	<b>720,000</b>	<b>509,000</b>

**9d Surplus / (Deficit) on trading operations**

There were no trading operations.

**9e Income, Expenditure and changes in Fair Value of Investment Properties**

	2017/18	2016/17
<b>Income/Expenditure from Investment Properties:</b>	£	£
Income including rental income	-	-
Expenditure	-	-
De-recognition in relation to amounts written off	-	-
<i>Net income from investment properties</i>	-	-
<b>Surplus/deficit on sale of Investment Properties</b>		
Proceeds from sale	-	-
Carrying amount of investment properties sold	-	-
<i>(Surplus)/deficit on sale of Investment Properties:</i>	-	-
<b>Changes in Fair Value of Investment Properties</b>	-	-
	-	-

**Financing and Investment Income and Expenditure Summary**

	2017/18			2016/17		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Interest Payable and Similar Charges	2,863,108	-	2,863,108	3,034,704	-	3,034,704
Interest and Investment Income	-	(42,608)	(42,608)	-	(23,235)	(23,235)
Pensions interest cost	720,000	-	720,000	509,000	-	509,000
Surplus/(Deficit) on trading operations	-	-	-	-	-	-
Other investment income	-	-	-	-	-	-
Changes in Fair Value of Investment Properties	-	-	-	-	-	-
	<b>3,583,108</b>	<b>(42,608)</b>	<b>3,540,500</b>	<b>3,543,704</b>	<b>(23,235)</b>	<b>3,520,469</b>

**10 Taxation and Non-Specific Grant Income**

**10a Revenue Grants**

	2017/18	2016/17
	£	£
General	(2,481,839)	(2,545,768)
Other	-	-
	<u>(2,481,839)</u>	<u>(2,545,768)</u>

**10b Capital Grants and Donated Assets-Applied**

	2017/18	2016/17
	£	£
Government & Other Grants - Conditions met and applied in year	(25,454)	(647,870)
Government & Other Grants - Transfer from receipts in advance	-	-
Donated Assets - Conditions met	-	-
Donated Assets - Transfer from donated assets creditor	-	-
	<u>(25,454)</u>	<u>(647,870)</u>

**10c Capital Grants-Unapplied**

	2017/18	2016/17
	£	£
Government & Other Grants - Conditions met and not applied in year	-	(164,151)
Other	-	-
	<u>-</u>	<u>(164,151)</u>

**10d District Rates**

	2017/18	2016/17
	£	£
Current year	(45,483,946)	(44,698,919)
Finalisation - previous year	-	-
Transitional Relief	-	-
Finalisation - other years	-	959,185
	<u>(45,483,946)</u>	<u>(43,739,734)</u>

**Summary of Taxation and Non-specific Grant income:**

	2017/18	2016/17
	£	£
District Rate Income	(45,483,946)	(43,739,734)
Revenue Grants	(2,481,839)	(2,545,768)
Capital Grants and Contributions	(25,454)	(812,021)
	(47,991,239)	(47,097,523)

Antrim and Newtownabbey Borough Council - Statement of Accounts for the year ended 31 March 2018

11a Fixed Assets Note - Current Year

Cost for Valuation	Land	Buildings	Infrastructure Assets	Leasehold Sites	Vehicles, Plant & Equipment	Community Assets	FP&E Under Construction	Surplus Assets	Total FFA	Investment Properties	Intangible Assets	Investable Assets	IOVA
<b>Balance as at 1 April 2017</b>	33,972,904	134,022,750	-	-	18,838,534	224,281	177,456	4,510,350	191,844,435	3,174,050	-	454,412	195,474,897
Adjustments between cost/value & depreciation/impairment	-	(33,032)	-	-	-	-	-	-	(33,032)	-	-	-	(33,032)
<b>Balance as at 1 April 2017</b>	33,972,904	134,022,750	-	-	18,838,534	224,281	177,456	4,510,350	191,811,403	3,174,050	-	454,412	195,442,841
Additions	22,500	545,471	-	-	1,186,741	-	770,819	-	2,472,831	(5,365)	-	40,255	2,510,491
Donations	40,000	1,320,539	-	-	-	-	-	-	1,340,539	-	-	-	1,340,539
Revaluation increases/ (decreases) to Revaluation Reserve	(690,291)	6,833,674	-	-	-	(4,453)	-	107,056	6,246,934	22,106	-	-	6,246,042
Revaluation Increases/ (decreases) to Surplus or Deficit on the Provision of Services	(1,932,451)	(1,188,379)	-	-	-	-	-	355,922	(2,744,908)	-	-	-	(2,744,908)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	(18,062)	-	-	-	(246,882)	-	-	-	(264,944)	-	-	-	(264,944)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	-	-	-	(911,278)	(911,278)	911,278	-	-	-
<b>Balance as at 31 March 2018</b>	31,394,400	141,500,973	-	-	19,778,393	219,734	898,475	4,141,460	197,943,779	3,192,791	911,278	498,667	202,842,013
Depreciation and Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2017</b>	-	688,162	-	-	14,486,709	-	-	-	15,174,871	16,903	-	381,337	16,183,111
Adjustment between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2017</b>	-	688,162	-	-	14,486,709	-	-	-	15,174,871	16,903	-	381,337	16,183,111
Depreciation Charge	-	4,972,857	-	-	1,258,174	16,520	-	-	6,247,551	76,330	-	37,878	6,366,789
Depreciation written out on Revaluation Reserve	-	(1,325,739)	-	-	-	-	-	-	(1,325,739)	-	-	-	(1,325,739)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(4,258,949)	-	-	-	(16,520)	-	-	(4,275,469)	(20,186)	-	-	(4,295,655)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(246,882)	-	-	-	(246,882)	-	-	-	(246,882)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	-	76,311	-	-	15,508,001	-	-	-	15,584,312	73,047	-	414,215	16,071,574
<b>Balance as at 31 March 2018</b>	31,394,400	141,424,662	-	-	19,778,393	219,768	879,415	4,141,550	197,943,779	3,192,791	911,278	498,667	202,842,013

11b Fixed Assets Note – Comparative Year

Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfills	Vehicles, Plant & Equipment	Community Assets	FP&E Under Construction	Surplus Assets	Total FFAE	Heritage Assets	Investment Properties	Intangible Assets	Assets Held for Sale	TOTAL
<b>Balance as at 1 April 2016</b>	32,435,974	128,279,369	-	-	18,824,806	235,543	3,732,981	4,610,350	188,319,003	3,094,009	-	341,275	363,000	192,137,287
Adjustment between cost/value & Depreciation/Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2016</b>	32,435,974	128,279,369	-	-	18,824,806	235,543	3,732,981	4,610,350	188,319,003	3,094,009	-	341,275	363,000	192,137,287
Additions (Note 11)	-	1,184,984	-	-	810,223	-	1,826,797	-	3,723,004	1,661	-	61,437	-	3,787,897
Revaluation increases/decreases to Revaluation Reserve	1,304,930	1,209	-	-	-	(11,302)	-	-	1,324,837	(39,407)	-	-	-	1,287,230
Revaluation increases/ decreases to Surplus or Deficit on the Provision of Services	-	(596,427)	-	-	-	-	-	-	(596,427)	-	-	-	-	(596,427)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derogation - Disposal	-	-	-	-	(775,290)	-	-	-	(775,290)	-	-	-	-	(775,290)
Reclassifications & transfers	-	5,253,615	-	-	(21,205)	-	(6,382,102)	-	(149,692)	119,987	-	29,705	-	(1,362,290)
Reclassified to [- / from (+)] Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	33,972,904	134,032,750	-	-	18,638,534	224,241	177,656	4,610,350	191,846,415	3,176,656	-	454,412	-	195,418,897
<b>Depreciation and Impairment</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2016</b>	-	474,074	-	-	13,926,594	-	-	-	14,400,668	6,951	-	346,290	-	14,753,909
<b>Balance as at 1 April 2016</b>	-	474,074	-	-	13,926,594	-	-	-	14,400,668	6,951	-	346,290	-	14,753,909
Depreciation Charge	-	4,711,819	-	-	1,345,006	16,119	-	-	6,072,944	74,734	-	24,401	-	6,172,879
Depreciation written out on Revaluation Reserve	-	(640,617)	-	-	-	(3,152)	-	-	(443,769)	-	-	-	-	(443,769)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(3,857,114)	-	-	-	(12,947)	-	-	(3,870,061)	(64,782)	-	-	-	(3,934,843)
Impairment losses/ reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derogation - Disposal	-	-	-	-	(764,245)	-	-	-	(764,245)	-	-	-	-	(764,245)
Derogation - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & transfers	-	-	-	-	(10,646)	-	-	-	(10,646)	-	-	10,646	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	-	663,162	-	-	14,478,709	-	-	-	15,141,871	16,903	-	381,337	-	15,563,111
<b>Net Book Values</b>	33,972,904	133,334,588	-	-	4,341,925	224,241	177,556	4,610,350	176,641,544	3,159,757	-	730,75	-	177,892,766

### **11c Property, Plant and Equipment (PP&E)**

Included within Property, Plant and Equipment are 11 car parks which transferred to the Council under Reform of Local Government. These car parks were transferred at the 1 April 2015 at the value provided by DfI (Department for Infrastructure) who last carried out a full revaluation as at 31 March 2013. A revaluation of the car parks was undertaken by Land and Property Services as at 31 March 2018. Adjustments to the value of these assets have been recorded.

### **11d Fixed Assets Note – Leased Assets**

There are no leased assets held by the Council during 2017/18.

### **11e Surplus Assets**

Included in this category are assets owned by the Council which are not currently used for the provision of services and do not meet the definition of assets held for sale.

### **11f Heritage Assets**

Included within this category of heritage assets are Sentry Hill and the Ballyfore Rath which are valued at values provided by Land and Property Services adjusted for indexation in line with DfC Guidance.

Sentry Hill is an unusually complete two storied 19th century farmhouse in the Parish of Carnmoney, County Antrim. Built around 1835, it belonged to the McKinney family, Scottish Presbyterians who came to Ireland in the 18th century. The Ballyfore Rath is a bivallate rath and is a scheduled historic monument protected by the Environment Agency.

The council acquired The White House, a recently restored Plantation Bawn which has been situated on the northern shore of Belfast Lough for over 400 years, in 2015/16. This has been included at insurance valuation.

### **Art Collections**

This category consists of sculptures constructed by the Council and paintings owned by the Council. The sculptures are valued at cost and the paintings are valued at insurance valuation.

The Council has various other items which meet the definition of a Heritage Asset which are all valued at insurance valuation. These items consist of artefacts on display at Sentry Hill and in the Museum at the Mill, and Civic Regalia.

### **Other**

The collection at Sentry Hill, largely assembled by William Fee McKinney (1832 to 1917), is extraordinary in its range, quality and its very survival and comprises over 4000 items. This collection includes furniture, paintings, photographs, ceramics, an extensive collection of books, diaries, papers, records of various local organisations (such as the temperance society and church committees) along with archaeological, geological and ethnographic artefacts. Material includes; George III dining chairs, three Victorian long case clocks, a portrait of William McKinney by WJ McKenzie, a number of John Lawson paintings and a collection of toasting glasses dating back to the 1790s.



The collection at the Museum at the Mill comprises archival material (books, advertisements, newspaper articles, workers manuals, and business ledgers), photographs, tools and products such as linen threads.

The archival material includes Articles of Agreement of Partnerships, Terms and Conditions of work notices, insurance documents, newspaper articles relating to Mossley Mill and the linen industry in general in Northern Ireland, mill workers manuals, business ledgers, orders for yarn, business cards and brochures advertising the mill in the 1980s.

Photographs include those of the Campbell family, the predominant owners of the mill, a series of photographs documenting the visit of the Duke of Abercorn in 1937 to open Mossley Pavilion, and photographs of workers and machinery from the 1930s to the late 1900s.

A small selection of artefacts include samples of Henry Campbell Yarn threads and cloth, a sample book of dyed linen yarns, hand tools relating to gill spinning and thread making, a brass plaque 'Henry Campbell Yarns', a commemoration medal for workers, a workers' accident Book (1957-67), Mossley Mill House Property Book (1946 & 1947) and 19th century mill monitoring equipment.

The Council has a number of items used by the Mayor and Members of the Council at official functions, e.g. The Mayor's Chain of Office. These are valued at insurance valuation.

#### **11g Assets Held for Sale**

There were no assets held for sale as at 31 March 2018.

#### **11h Investment Properties**

The Council held one investment property at 31 March 2018.

## 12 Capital Expenditure and Capital Financing

		2017/18	2016/17
		£	£
<b>Opening Capital Financing Requirement</b>		64,568,074	66,364,033
<b>Capital Investment</b>			
Property, Plant and Equipment	11	2,470,166	3,723,665
Investment Properties		-	-
Intangible Assets	11	40,255	63,432
Revenue Expenditure Funded from Capital under Statute	4	204,419	510,013
Revenue Expenditure Funded from Capital under Direction	4	1,211,359	1,643,332
Investments		-	-
<b>Sources of Finance</b>			
Capital Receipts		-	-
Government Grants and Other Contributions	26	(207,817)	(1,095,216)
Transfers from Earmarked Reserves		-	(1,216,216)
<b>Sums set aside from Revenue:</b>			
Direct Revenue Contributions		-	-
Minimum Revenue Provision	26	(4,982,182)	(5,424,969)
<b>Closing Capital Financing Requirement</b>		63,304,274	64,568,074
<b>Explanation of Movements in Year</b>		2017/18	2016/17
		£	£
Increase in underlying need to borrow		(1,263,800)	(1,795,959)
Assets acquired under finance leases		-	-
Assets acquired under PFI/PPP contracts		-	-
<b>Increase/(decrease) in Capital Financing Requirement</b>		<b>(1,263,800)</b>	<b>(1,795,959)</b>

### 13 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	555,206	-	555,206
Other Commitments	-	-	-
<b>Total</b>	<b>555,206</b>	<b>-</b>	<b>555,206</b>

### 14 Inventories

	2017/18 £	2016/17 £
Central Stores	206,338	217,206
Goods for Resale	80,826	67,952
<b>Total</b>	<b>287,164</b>	<b>285,158</b>

The cost of inventories recognised as expense and included in 'services' amounted to £1,043,764 (2016/17 £1,099,766).

### 15 Debtors

#### 15a Long Term Debtors

Debtors		2017/18 £	2016/17 £
Long Term Debtors			
Government Departments		-	-
Other Councils		-	-
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Employee car loans		532	4,991
Revenue Grants		-	-
Capital Grants		-	-
Interest Receivable		-	-
Capital Debtors		-	-
Loans and advances		-	-
Finance lease debtors		-	-
Trade debtors		-	-
NIHE Loans		-	-
Other		319	-
Impairment of loans and receivables		-	-
<b>Total Long-Term Debtors</b>		<b>851</b>	<b>4,991</b>

## 15b Short Term Debtors

Short Term Debtors		2017/18	2016/17
		£	£
Government Departments		1,250,034	439,371
Other Councils		75,821	111,010
Public corporations and trading funds		-	-
Bodies external to general government		-	-
NIHE loans		-	-
Employee car loans		1,718	7,659
Revenue Grants		990,786	953,719
Capital Grants		114,967	1,310,602
Interest Receivable		-	-
Capital Debtors		-	-
Value Added Tax		845,896	870,919
Prepayments		180,562	72,134
Finance lease debtors		-	-
Other		646,503	603,925
Trade receivables		-	-
Impairment loss - Trade receivables		(85,071)	(96,411)
		-	-
<b>Total Short-Term Debtors</b>		<b>4,021,216</b>	<b>4,272,928</b>

## 16 Investments

### 16a Long Term Investments

Investments		2017/18	2016/17
Long Term Investments		£	£
Investments - general		-	-
Investments - repairs and renewals		-	-
Investments - capital fund		-	-
Investments - other		-	-
		-	-
<b>Total Long-term Investments</b>		<b>-</b>	<b>-</b>

Analysed over:		2017/18	2016/17
		£	£
Money market deposits		-	-
Other deposits		-	-
		-	-

## 16b Short Term Investments

Short-Term Investments		2017/18	2016/17
		£	£
Investments - general		-	-
Investments - repairs and renewals		-	-
Investments - capital fund		-	-
Investments - other		-	-
<b>Total Short-term Investments</b>		<b>-</b>	<b>-</b>
Analysed over:		2017/18	2016/17
		£	£
Money market deposits		-	-
Other deposits		-	-
<b>Total Short-term Investments</b>		<b>-</b>	<b>-</b>
<b>Total Long Term and Short-term Investments</b>		<b>-</b>	<b>-</b>

## 17 Borrowing

### 17a Short Term Borrowing

Short Term Borrowing		2017/18	2016/17
		£	£
Loans re-payable within one year		6,001,216	5,481,895
Finance Lease Principal		-	-
<b>Total Short Term Borrowing</b>		<b>6,001,216</b>	<b>5,481,895</b>

### 17b Long Term Borrowing

Long Term Borrowing		2017/18	2016/17
		£	£
Between 1 and 2 years		2,734,114	3,001,217
Between 2 and 5 years		10,269,044	10,783,906
Between 5 and 10 years		9,770,738	10,386,954
In more than 10 years		22,462,120	24,065,157
<b>Government Loans Fund</b>		<b>45,236,016</b>	<b>48,237,234</b>
<b>Total Borrowing</b>		<b>51,237,232</b>	<b>53,719,129</b>

Interest rates on loans range between 0.35% and 14.125%.

The loans are analysed on a repayment basis.

## 18 Creditors

### 18a Short Term Creditors

Short Term Creditors		2017/18	2016/17
		£	£
Government Departments		1,489,885	451,366
Other Councils		34,760	46,667
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Rates clawback		-	-
VAT		-	-
Remuneration due to employees		554,180	360,613
Accumulated Absences		323,772	319,550
Loan Interest Payable		-	-
Capital Creditors		-	-
Receipts in advance		693,097	787,904
Trade creditors		-	-
Other		3,958,097	4,596,194
<b>Total Short Term Creditors</b>		<b>7,053,791</b>	<b>6,562,294</b>

### 18b Long Term Creditors

Long Term Creditors		2017/18	2016/17
Other creditors falling due after more than one year		£	£
Government Departments		-	-
Other Councils		-	-
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Rates clawback		-	-
Remuneration due to employees		-	-
Accumulated Absences		-	-
Receipts in advance		-	-
Trade creditors		-	-
Other		-	-
<b>Total Long Term Creditors</b>		<b>-</b>	<b>-</b>

### 18c Payment of Invoices

The Council has a target of paying invoices within 30 days. The Minister at the Department of Finance has reduced the target for the payment of invoices for central government departments to 10 days. This target is not mandatory for local government but the Council endeavours to process invoices as quickly as possible and will keep its performance under review.

During the year the Council paid 26,277 invoices totalling £45.0m, inclusive of VAT (2016/17 27,069 invoices totalling £45.5m). The Council has arrangements in place to calculate the interval from receipt of an invoice to payment date. The payment performance for 2017/18 was on average 17.75 days from receipt of invoice to payment (2016/17 20 days).

During 2017/18 the Council paid 22,505 invoices within 30 calendar days, 18,320 of which were paid within 10 working days. 3,772 invoices were paid outside 30 days. A number of these invoices were subject to query with the supplier.

## 19 Provisions

Provisions	Balance as at 1 April 2017 £	Increase in provision during year £	Utilised during year £	Unused amounts reversed £	Interest cost and/or discount rate changes £	Balance as at 31 March 2018 £
Landfill closure	455,201	52,285	-	-	-	507,486
Claims management	225,242	-	(4,520)	-	-	220,722
Severance/Re-organisat	1,297,052	1,178,460	(1,206,627)	(92,298)	-	1,176,587
Rates Clawback	959,185	-	(959,185)	-	-	-
Other	-	75,000	-	-	-	75,000
<b>Total</b>	<b>2,936,680</b>	<b>1,305,745</b>	<b>(2,170,332)</b>	<b>(92,298)</b>	<b>-</b>	<b>1,979,795</b>

Current Provisions	2,312,445	1,253,460	(1,984,733)	(92,298)	-	1,488,874
Long Term Provisions	624,235	52,285	(185,599)	-	-	490,921

<b>Total</b>	<b>2,936,680</b>	<b>1,305,745</b>	<b>(2,170,332)</b>	<b>(92,298)</b>	<b>-</b>	<b>1,979,795</b>
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### Comparative Year

Provisions	Balance as at 1 April 2016 £	Increase in provision during year £	Utilised during year £	Unused amounts reversed £	Interest cost and/or discount rate changes £	Restated Balance as at 31 March 2017 £
Landfill closure	464,836	(8,834)	(801)	-	-	455,201
Claims management	250,000	-	(24,758)	-	-	225,242
Severance/Re-organisat	296,443	1,297,052	(296,443)	-	-	1,297,052
Rates Clawback	-	959,185	-	-	-	959,185
Other	14,215	9,505	(23,720)	-	-	-
<b>Total</b>	<b>1,025,494</b>	<b>2,256,908</b>	<b>(345,722)</b>	<b>-</b>	<b>-</b>	<b>2,936,680</b>

Current Provisions	264,215	2,097,509	(49,279)	-	-	2,312,445
Long Term Provisions	761,279	159,399	(296,443)	-	-	624,235

<b>Total</b>	<b>1,025,494</b>	<b>2,256,908</b>	<b>(345,722)</b>	<b>-</b>	<b>-</b>	<b>2,936,680</b>
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The Council has made provision for the after care costs arising from the closure of a landfill site of £507,486 (2016/17 £455,201), reform related severance costs of £1,176,587 (2016/17 £1,297,052), legal and special advices of £220,722 (2016/17 £225,242) in relation to on-going cases.

The Council has also provided £75k in relation to the estimated costs of outstanding employee arrears.

## 20 Financial Instruments

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

### Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Authorised institutions for investments under the Council's Treasury Policy are assessed for financial strength and risk exposure. The provision for bad and doubtful debts reflects the Council's assessment of the risk of non-payment by debtors and, as such, there is no additional estimated exposure to default and inability to collect.



Debtors of £913,988 included in Note 15 can be analysed by age as follows:

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

Trade debtors, inclusive of VAT, can be analysed by age as follows:		£
Less than three months		798,986
Three to six months		75,384
Six months to one year		36,672
More than one year		2,946
		<b>913,988</b>

### Liquidity Risk

The Council's net operating costs are funded through district rates and government grants. Capital expenditure is largely financed by borrowing from the Government Loans Fund. The Council is not therefore exposed to significant liquidity risk. The analysis of financial liabilities is included in notes 17 and 18. All trade and other payables are due for payment within one year.

### Market Risk

#### Interest rate risk

The Council finances capital expenditure through fixed rate borrowings for a term broadly expected to match expected useful economic lives of the assets acquired. The Council is not therefore exposed to interest movements on its borrowings.

#### 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, market loans and local authorities' loans at rates of interest that differ from the prevailing market rates. The fair value of these loans is £71,128,983 and are analysed as follows:

	£
Government Loans Fund	61,846,496
Market Loans	6,267,000
Local Authorities	3,015,487
<b>Total</b>	<b>71,128,983</b>

The Council has made no loans to voluntary organisations and other external bodies at less than market rates (soft loans).

## 21 Retirement Benefits

### 21a Participation in the Local Government Pension Scheme (Northern Ireland)

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

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

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

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

	Note	2017/18 £	2016/17 £
Net cost of services:			
Current service cost		5,678,000	3,915,000
Past service cost/(gain)		212,000	267,000
Gains and losses on settlements or curtailments		-	-
Net operating expenditure:			
Net interest on net defined benefit Liability (asset)		720,000	509,000
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>		<b>6,610,000</b>	<b>4,691,000</b>
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(6,610,000)	(4,691,000)
Actual amount charged against the general fund balance for pensions in the year:			
Employers' contributions payable to scheme		3,268,715	3,512,187
<b>Net adjustment to General Fund</b>		<b>(3,341,285)</b>	<b>(1,178,813)</b>

The Current service cost includes an allowance for the administration expenses of £70k (2016/17 £67k).

### Remeasurements recognised in Other Comprehensive Income and Expenditure

	Note	2017/18 £	2016/17 £
Liability gains/(losses) due to change in assumptions		(3,015,000)	(29,436,000)
Liability gains/(losses) due to due to demographic changes		-	-
Liability experience gains/(losses) arising in the year		(557,000)	(174,000)
Actuarial gains/(losses) on plan assets		3,246,000	17,364,000
Other		493,285	226,813
<b>Total gains/(losses) recognised in Other Comprehensive Income and Expenditure</b>		<b>167,285</b>	<b>(12,019,187)</b>

### 21c Assets and liabilities in relation to retirement benefits Reconciliation of present value of the scheme liabilities:

Assets and liabilities in relation to retirement benefits Reconciliation of present value of the scheme liabilities:			
	Note	2017/18 £	2016/17 £
Balance as at 1 April		152,326,000	116,588,000
Current service cost		5,678,000	3,915,000
Interest cost		3,934,000	4,046,000
Contributions by members		1,115,000	1,059,000
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		3,015,000	29,436,000
Actuarial gains/losses arising from demographic changes		-	-
Actuarial gains/losses arising on liabilities from experience		557,000	174,000
Other (if applicable)		-	-
Past service costs/(gains)		212,000	267,000
Losses/(gains) on curtailments		-	-
Liabilities extinguished on settlements		-	-
Estimated unfunded benefits paid		(146,000)	(148,000)
Estimated benefits paid		(3,045,000)	(3,011,000)
<b>Balance as at 31 March</b>		<b>163,646,000</b>	<b>152,326,000</b>

### Reconciliation of present value of the scheme assets:

Reconciliation of present value of the scheme assets:			
	Note	2017/18 £	2016/17 £
Balance as at 1 April		122,753,000	100,213,000
Interest income		3,214,000	3,537,000
Contributions by members		1,115,000	1,059,000
Contributions by employer		3,616,000	3,591,000
Contributions in respect of unfunded benefits		146,000	148,000
Remeasurement gain/(loss)		3,246,000	17,364,000
Assets distributed on settlements		-	-
Unfunded benefits paid		(146,000)	(148,000)
Benefits paid		(3,045,000)	(3,011,000)
<b>Balance as at 31 March</b>		<b>130,899,000</b>	<b>122,753,000</b>

The actual return on scheme assets in the year was a gain of £6.5m (2016/17 £ 20.9m gain).

### Fair Value of Plan Assets

Fair Value of Plan Assets	31/03/2018	31/03/2017
	£	£
Equity investments	93,461,886	91,450,985
Bonds	16,231,476	14,116,595
Property	13,089,900	12,889,065
Cash	5,890,455	3,191,578
Other	2,225,283	1,104,777
	130,899,000	122,753,000

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

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

	31/03/2018	31/03/2017
	£	£
Fair Value of Employer Assets	130,899,000	122,753,000
Present value of funded defined benefit obligation	(161,385,000)	(150,014,000)
Pension asset/(liability) of Funded Scheme	(30,486,000)	(27,261,000)
Present Value of unfunded defined benefit obligation	(2,261,000)	(2,312,000)
Other movement in the liability (asset) (if applicable)	-	-
<b>Net asset/(liability) arising from the defined benefit obligation</b>	<b>(32,747,000)</b>	<b>(29,573,000)</b>
Amount in the Balance sheet:		
Liabilities	(163,646,000)	(152,326,000)
Assets	130,899,000	122,753,000
<b>Net Asset/(Liability)</b>	<b>(32,747,000)</b>	<b>(29,573,000)</b>

### 21d Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2019

	31/03/2019	31/03/2019
	£	
Projected current cost	6,056,000	88.3%
Net Interest on the net defined benefit liability (asset)	801,000	11.7%
Past service cost	-	0.0%
Gains and losses on settlements or curtailments	-	0.0%
	6,857,000	100.0%

The total contributions expected to be made to the Local Government Pension Scheme (Northern Ireland) (the scheme) by the Council in the year to 31 March 2019 is £3.7m.

## 21e Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The Council's Fund liabilities have been assessed by Aon Hewitt Ltd, 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 2016.

Long-term expected rate of return on assets in the scheme:	2017/18	2016/17
	%	%
Equity investments	71.4%	74.5%
Bonds	12.4%	11.5%
Property	10.0%	10.5%
Cash	4.5%	2.6%
Other	1.7%	0.9%
<b>Mortality assumptions:</b>		
<i>Longevity at 65 current pensioners:</i>	Years	Years
Men	23.3	23.2
Women	25.9	25.8
<i>Longevity at 65 for future pensioners:</i>		
Men	25.5	25.4
Women	28.2	28.1
Inflation/Pension Increase Rate	2.10%	2.00%
Salary Increase Rate	3.60%	3.50%
Expected Return on Assets	0.00%	0.00%
Discount Rate	2.60%	2.60%
Pension accounts revaluation rate	2.10%	2.00%
<b>Take-up of option to convert annual pension into retirement lump sum:</b>		
Service to April 2009	75%	75%
Service post April 2009	75%	75%

## 21f Pension Assumptions Sensitivity Analysis

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

The approximate impact of changing key assumptions on the present value of the funded defined benefit obligation as at 31 March 2018 is set out below.

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

**Funded Pension Scheme Benefits**

<b>Discount Rate Assumption</b>		
Adjustment to discount rate	+0.1%p.a.	-0.1%p.a.
Present value of the total obligation	158,144,000	164,693,000
% change in the present value of the total obligation	-2.00%	2.00%
Projected service cost	5,877,000	6,240,000
Approximate % change in projected service cost	-3.00%	3.00%
<b>Rate of General Increase in Salaries</b>		
Adjustment to salary increase rate	+0.1%p.a.	-0.1%p.a.
Present value of the total obligation	162,381,000	160,400,000
% change in the present value of the total obligation	0.60%	-0.60%
Projected service cost	6,056,000	6,056,000
Approximate % change in projected service cost	0.00%	0.00%
<b>Rate of Increase to Pensions in Payment and Deferred Pension Assumption</b>		
Adjustment to pension increase rate	+0.1%p.a.	-0.1%p.a.
Present value of the total obligation	163,687,000	159,119,000
% change in the present value of the total obligation	1.40%	-1.40%
Projected service cost	6,240,000	5,877,000
Approximate % change in projected service cost	3.00%	-3.00%
<b>Post Retirement Mortality Assumption</b>		
Adjustment to mortality age rating assumption*	- 1 Year	+1 Year
Present value of the total obligation	166,161,000	156,635,000
% change in the present value of the total obligation	3.00%	-2.90%
Projected service cost	6,270,000	5,843,000
Approximate % change in projected service cost	3.50%	-3.50%

\* A rating of +1 year means that members are assumed to follow the mortality pattern of the base table above for an individual that is 1 year older than that.

**21g Major categories of plan assets as percentage of total plan assets**

The Local Government Pension Scheme (Northern Ireland) (the Scheme) assets consist of the following categories, by proportion of the total assets held:

	31/03/2018		31/03/2017
	%	%	
Equity investments	71.40%		74.50%
Government Bonds	5.20%		5.40%
Corporate Bonds	7.20%		6.10%
Property	10.00%		10.50%
Cash	4.50%		2.60%
Other	1.70%		0.90%
<b>Total</b>	<b>100.00%</b>		<b>100.00%</b>

Other holdings may include hedge funds, currency holdings, asset allocation futures and other financial instruments. It is assumed that these will get a return in line with equities.

**21h The Northern Ireland Civil Service Pension**

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Council is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions

and rolled forward to the reporting date of the DFP Superannuation and Other Allowances Resource Accounts as at 31 March 2018.

## 22 Donated Assets Account

Donated Assets Account	Note	2017/18	2016/17
		£	£
Opening balance		0	0
Add: new donated assets received (condition of use not met)		0	0
Less: amounts released to the District Fund - Comprehensive Income and Expenditure Account		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. There was a nil balance at the year end.

## 23 Capital Grants Received in Advance

Capital Grants Received in Advance	Note	2017/18	2016/17
		£	£
Opening balance		0	0
Add: new capital grants received in advance (condition of use not met)		0	0
Less: amounts released to the Comprehensive Income and Expenditure Statement		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 i.e. they have conditions attached to them, which will require the grant to be repaid, if those conditions are not met. There was a nil balance at the year end.

## 24 Contingencies

The arc21 Joint Committee has, with the approval of their participant Councils, entered into a Contingent Liability Undertaking with the bidding consortium in the procurement for the Residual Waste Treatment Project and Antrim and Newtownabbey Borough Council has agreed its share of the contingent liability. Payments made, if any, in accordance with this undertaking will be funded by the Participant Councils. No further information on this agreement can be disclosed due to the commercial sensitivity of the procurement process.

The Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension prior to 6 April 1997. At present there is inequality of benefits between male and female members who have GMP. Consultation on indexation and equalisation of GMP in public service pension schemes was issued late 2016 and until it is known how GMP will be carried out, the impact on pension liabilities is uncertain, no allowance for GMP equalisation has been made in these financial statements.

A ratepayer was successful in appealing against Land & Property Services rateable value of their property for the period 2010/11 to 2014/15. This was accounted for in 16/17 and amounted to £959k. The ratepayer has also submitted a challenge to their rateable value from 1 April 2015. The first stage of the appeal process, the application to the District Valuer, has been concluded with an immaterial increase in the value of the property; however, it is not known whether a further challenge will be made. Therefore, the Council is not in a position to reliably estimate further outstanding liability that may arise if this challenge results in a decrease in the rateable value of the property.

The Council has a number of other general litigious matters ongoing which are not expected to result in a material cost to the Council.

## 25a Analysis of Adjustments to Surplus/Deficit on the Provision of Services

### Adjustment to surplus or deficit on the provision of services for non-cash movements

Adjustment to surplus or deficit on the provision of services for noncash movements	Notes	2017/18	2016/17
		£	£
Depreciation	11	6,356,759	6,172,079
Impairment & downward revaluations (& non-sale derecognitions)	11	(1,530,767)	(3,338,436)
Amortisation (included with depreciation above)		-	-
(Increase)/Decrease in Stock		(2,006)	(19,102)
(Increase)/Decrease in Debtors		(929,063)	2,047,063
Increase/(decrease) in impairment provision for bad debts		(11,341)	26,438
Increase/(Decrease) in Creditors		244,959	1,525,241
Increase/(Decrease) in Interest Creditors		(26,089)	(44,069)
Payments to NILGOSC	21	3,341,285	1,178,813
Carrying amount of non-current assets sold	8	18,062	374,045
AIC/WIP written off to Net Cost of Services		-	-
Contributions to Other Reserves/Provisions		-	-
Movement in value of investment properties-included above in Impairment & downward revaluations (& non-sale derecognitions)		-	-
Amounts posted to CIES from Donated Assets Account	11	(1,360,539)	-
		6,101,260	7,922,072

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	Notes	2017/18	2016/17
		£	£
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from the sale of PP&E, investment property and intangible assets	8	(39,287)	(416,800)
Capital grants included in "Taxation & non-specific grant income"	10	(25,454)	(812,021)
		(64,741)	(1,228,821)



## 25b 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:

	2017/18	2016/17
	£	£
Cash and Bank balances	2,684,055	2,913,668
Short Term Deposits (considered to be Cash Equivalents)	-	-
Short Term Investments (considered to be Cash Equivalents)	-	-
Bank Overdraft	-	-
	2,684,055	2,913,668

## 25c Cash Flow Statement-Operating Activities

Cash Flow Statement: Operating Activities		2017/18	2016/17
The cash flows from operating activities include:		£	£
Interest received		(13,128)	(22,712)
Interest paid		2,889,818	3,078,840

## 25d Cash flows from Investing Activities

Cash flows from Investing Activities		2017/18	2016/17
		£	£
Purchase of PP&E, investment property and intangible assets		(3,194,058)	(3,366,282)
Purchase of Short Term Investments (not considered to be cash equivalents)		-	-
Purchase of Long Term Investments		-	-
Other Payments for Investing Activities		-	-
Proceeds from the sale of PP&E, investment property and intangible assets		39,287	416,800
Proceeds from Short Term Investments (not considered to be cash equivalents)		-	-
Proceeds from Long Term Investments		-	-
Capital Grants and Contributions Received		1,221,089	518,810
Other Receipts from Investing Activities		-	-
<b>Net Cash flows from Investing Activities</b>		<b>(1,933,682)</b>	<b>(2,430,672)</b>

## 25e Cash flows from Financing Activities

Cash flows from Financing Activities	2017/18	2016/17
	£	£
Cash Receipts from Short and Long Term Borrowing	3,000,000	2,500,000
Other Receipts from Financing Activities	-	-
Cash payments for the reduction of the outstanding liability relating to a finance lease and on-Balance Sheet PFI contracts		
	-	-
Repayment of Short and Long Term Borrowing	(5,481,897)	(6,329,929)
Other payments for Financing Activities	-	-
<b>Net Cash flows from Financing Activities</b>	<b>(2,481,897)</b>	<b>(3,829,929)</b>

## 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.

Income from the disposal of fixed assets is credited to the Capital Receipts Reserve and transferred to the Capital Adjustment Account when resources are applied to finance new capital expenditure.

Capital Receipts Reserve	Notes	31/03/2018	31/03/2017
		£	£
<b>At 1 April</b>		416,800	-
<b>Movement</b>			
Transfers between statutory & other reserves & the General Fund		-	-
Disposal of Non Current Assets/ Capital Sales	4, 11, 25	39,287	416,800
Capital Receipts used to finance capital expenditure	4, 12	-	-
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		-	-
Other Movements		-	-
<b>At 31 March</b>		<b>456,087</b>	<b>416,800</b>

## 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.

Capital Grants Unapplied account	Notes	31/03/2018	31/03/2017
		£	£
<b>At 1 April</b>		176,347	37,050
<b>Movement</b>			
Unapplied Capital Grants received in year		-	164,151
Unapplied Capital Grants transferred to CAA in year		(176,347)	(24,854)
<b>At 31 March</b>		<b>-</b>	<b>176,347</b>

### 26c Capital Fund

This fund was established under Section 56 of the Local Government Act (Northern Ireland) 1972, however this section was repealed under the new Local Government Finance Act (Northern Ireland) 2011. The Council continues to operate this fund.

Capital Fund	Notes	31/03/2018	31/03/2017
		£	£
At 1 April		-	1,216,216
Transfers between statutory & other reserves & the General Fund		-	-
Transfers between Capital Fund & CAA to finance Capital Expenditure	12	-	(1,216,216)
<b>At 31 March</b>		<b>-</b>	<b>-</b>

### 26d Renewal and Repairs Fund

This fund was established under section 56 of the Local Government Act (NI) 1972, however this section of the act was repealed under the Local Government Finance Act (Northern Ireland) 2011. The Council continues to operate this fund.

Renewal and Repairs Fund	Notes	31/03/2018	31/03/2017
		£	£
At 1 April		848,075	848,075
Transfers between statutory & other reserves & the General Fund		43,385	-
Transfers between Renewal & Repair Fund & CAA to finance Capital Expenditure	12	-	-
<b>At 31 March</b>		<b>891,460</b>	<b>848,075</b>

	£	£
DEA Projects	200,000	484,000
Branding	80,000	80,000
Planned Maintenance Programme	150,000	134,000
Repairs	250,000	-
General	211,460	150,075
<b>Total</b>	<b>891,460</b>	<b>848,075</b>

## 26e Other Balances & Reserves

Other Balances & Reserves	Notes	31/03/2018	31/03/2017
		£	£
At 1 April		1,031,942	1,056,003
Transfers between statutory & other reserves & the General Fund	4	972,615	(24,061)
Transfers between Capital Fund/Renewal & Repair Fund & CAA	12	-	-
<b>At 31 March</b>		<b>2,004,557</b>	<b>1,031,942</b>

	£	£
NIHE	976,557	1,031,942
Rates Appeal Reserve	564,000	-
Strategic Projects Reserve	464,000	-
<b>Total</b>	<b>2,004,557</b>	<b>1,031,942</b>

## 26f General 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

General Fund	Notes	31/03/2018	31/03/2017
		£	£
At 1 April		6,673,102	7,892,886
Applied Capital Grants	10, 12	(25,454)	(647,870)
Unapplied Capital Grants received in year		-	(164,151)
Direct Revenue Financing	4, 12	-	-
Depreciation and Impairment adjustment	4	4,825,992	2,833,643
Statutory Provision for financing Capital Investment	4	(4,982,182)	(5,424,969)
Net Revenue expenditure funded from capital under statute	4, 12	198,403	87,521
Net Revenue expenditure funded from capital under direction	4, 12	1,211,359	1,643,332
Surplus/(Deficit) on the Provision of Services	CIES	(1,850,553)	(483,376)
Transfers between Statutory and Other Reserves and the General Fund	4	(1,016,000)	24,061
Net movements on Pension Reserve	4, 21	3,341,285	1,178,813
Disposal of Fixed Assets/Capital Sales	4, 11	(21,225)	(42,755)
Donated Asset	4, 11	(1,360,539)	-
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		4,222	(224,033)
Other Movements		-	-
<b>At 31 March</b>		<b>6,998,410</b>	<b>6,673,102</b>

**26g Capital Adjustment Account**

This account represents a balance between the write down of the historical cost of fixed assets due to depreciation, impairment or disposal and the accumulation of resources set aside to finance capital expenditure. The depreciation charged on asset revaluations is written off to the account. Revaluation gains, which are transferred from the revaluation reserve, for assets disposed of during the year are also charged to the account.

Capital Adjustment Account	Notes	31/03/2018	31/03/2017
		£	£
At 1 April		80,004,010	76,394,362
Applied Capital Grants	10, 12	25,454	647,870
Unapplied Capital Grants transferred to CAA in year		176,347	24,854
Direct Revenue Financing	4, 12	-	-
Depreciation & Impairment adjustment	11	(4,825,992)	(2,833,643)
Statutory Provision for financing Capital Investment	4, 12	4,982,182	5,424,969
Net Revenue expenditure funded from Capital under statute	4, 12	(198,403)	(87,521)
Net Revenue expenditure funded from Capital under direction	4, 12	(1,211,359)	(1,643,332)
Disposal of Fixed Assets/ Capital Sales	4, 11	(18,062)	(374,045)
Capital Receipts used to finance capital expenditure	4, 12	-	-
Donated Asset	4, 11	1,360,539	-
Other Movements		1,389,611	1,234,280
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	12	-	1,216,216
<b>At 31 March</b>		<b>81,684,327</b>	<b>80,004,010</b>

**26h Financial Instruments Adjustment Account**

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

**26i Revaluation Reserve**

The reserve contains unrealised revaluation gains on fixed assets arising from that date, adjusted for subsequent reductions in value. Charges are made to the reserve for depreciation incurred because the asset has been revalued and the removal of the accumulated gains upon disposal of an asset. The balance represents the extent that asset values have increased due to revaluation.

Revaluation Reserve	Notes	31/03/2018	31/03/2017
		£	£
At 1 April		35,321,702	34,624,983
Revaluation & Impairment	11	7,560,749	1,930,999
Movements from associates & joint ventures		-	-
Other Movements		(1,389,611)	(1,234,280)
<b>At 31 March</b>		<b>41,492,840</b>	<b>35,321,702</b>

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

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

## 26k Pension Reserve

Pension Reserve	Notes	31/03/2018	31/03/2017
		£	£
At 1 April		(29,573,000)	(16,375,000)
Net Movements on Pension Reserve	4, 21	(3,341,285)	(1,178,813)
Revaluation & Impairment	21	167,285	(12,019,187)
<b>At 31 March</b>		<b>(32,747,000)</b>	<b>(29,573,000)</b>

## 26l Deferred Capital Receipts Account

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

## 26m Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General 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 General Fund is neutralised by transfers to or from this Accumulated Absences Account.

Accumulated Absences Account	Notes	31/03/2018	31/03/2017
		£	£
At 1 April		(319,550)	(543,583)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		(4,222)	224,033
<b>At 31 March</b>		<b>(323,772)</b>	<b>(319,550)</b>

## 27 Significant Trading Operations

The Council does not have any significant trading operations.

## 28 Agency Services

The Council does not provide any agency services.

## **29 Related Party Transactions**

A Related Party Transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related Party Transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the Council or the Government of which it forms part.

A related party is one that has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes cases where the related party entity and another entity are subject to common control but excludes providers of finance in the course of their normal business with the Council and Trade Unions in the course of their normal dealings with the Council.

In addition where the relationship with the Council and the entity is solely that of an Agency (see note 28) these are not deemed to be Related Party Transactions.

Transactions with related parties not disclosed elsewhere in these financial statements are set out below, where a description of the nature, the amount of the transaction and the amount of the outstanding balance is as follows:

### **Council members**

During the year the council paid £11,740 (2016/17 £30,702) of which £1,000 (2016/17 £790) was owed by the Council to a company, partnership, trust or entity which generated a related party transaction in which a council member had a controlling interest.

During the year the council paid £48,000 (2016/17 £17,836) of which £28,000 (2016/17 £nil) was owed by the Council for services provided by a member of the close family of a Council Member. During the year the council received £nil (2016/17 £nil) for council services by a member of the close family of a Council Member.

It may be noted that members' pecuniary interests, direct or indirect, which could conflict with those of the council are open to inspection as required by Section 28 Local Government Act (Northern Ireland) 1972.

### **Chief officers**

For the purpose of this disclosure the term 'chief officer' has been defined as the chief executive and directors. The disclosure also covers members of the officers' close families or households. During the year the council paid £nil for services provided by a member of the close family of a chief officer

It may also be noted that officers' pecuniary interests, direct or indirect, which could conflict with those of the Council are open to inspection as required by Section 46 of the Local Government Act (Northern Ireland) 1972.



## Other

The Council nominated three councillors to the arc21 Waste Management Plan Joint Committee. The Council contributed £4,281,830 (2016/17 £4,500,841) towards procurement of goods and services and administration costs during the year of which £82,780 (2016/17 £18,724) was owed by the Council at 31 March 2018. The Council received £108,198 (2016/17 £103,961) in respect of an income share arrangement with a further £15,447 (2016/17 £25,802) outstanding at 31 March 2018.

The following related party transactions are disclosed elsewhere in the accounts:

Remuneration Report	Page 43
District Rates	Note 10d

### 30 Prior Year Adjustment

The 2017/18 Code requires the Comprehensive Income and Expenditure Statement (CIES) and the Expenditure and Funding Analysis to report performance on the basis as how the Council is structured and how they operate and manage financial performance. Up to and including 2016/17 performance was reported using the standard headings prescribed in the Service Reporting Code of Practice (SeRCOP).

There has been no impact in the General Fund or Balance Sheet.

As previously reported in the Financial Statements 2016/2017, the Total CIES has been restated to correct an arithmetic error. There has been no impact in the Movement in Reserves Statement or the Balance Sheet.

### 31 Events after the Reporting Period

There were no events occurring after 31 March 2018 which require adjustment to the Council's financial statements or additional disclosures.

The Chief Financial Officer authorised these financial statements for issue on September 2018.

### 32 Bequest Accounts/ Mayor's Charitable Fund

The Council is responsible for the administration of three bequest funds. These funds do not represent assets of the Council and are therefore not included in the Council's balance sheet.

#### Bequest Account No 1

A sum of money was bequeathed to Ballyclare Urban District Council to be invested and the investment income used for the maintenance of graves.

#### Bequest Account No 2

A sum of money was bequeathed to Ballyclare Urban District Council to be invested and the investment income distributed to the poor of Ballyclare.

#### Bequest Account No 3

An amount of 3.5% War Stock was bequeathed to Antrim Rural District Council from the Moore trust.

Bequest Account balances as at:

	<b>31 March 2018</b> £
Bequest Account No 1	78
Bequest Account No 2	2,321
Bequest Account No 3	380
	<b>2,779</b>

### Mayor's Charitable Fund

The Council is responsible for the administration of the Mayor's Charitable Fund. These funds do not represent assets of the Council and are therefore not included in the Council's balance sheet.

During the mayoral year the Mayor nominates a number of charities and raises funds by holding various fund-raising events.

Mayor's Charitable Fund as at:

	<b>31 March 2018</b> £
Mayor's Charitable Fund	10,492
	<b>10,492</b>



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