

STATEMENT OF ACCOUNTS

**FOR THE YEAR ENDED
31 MARCH 2014**



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EXPLANATORY FOREWORD

Introduction

The Council's financial performance for the year ended 31 March 2014 is as set out in the Comprehensive Income and Expenditure Statement, the financial position as at the 31 March 2014 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 2013/14 (the Code) and the Department of the Environment Accounts Direction, Circular LG11/14 dated 07 April 2014. It is the purpose of this foreword 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 foreword 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.

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

Financial Report

For the year ended 31 March 2014, the Council recorded a deficit on the provision of services of £1.9m on an accounting basis. After adjustments to restate the figures produced on an accounting basis to a funding basis under regulations of £1.8m (Note 3a), the Council decreased its General Fund reserve by £109k to £3.73m against a budgeted decrease of £150k.

The estimated District Rates Finalisation for the year indicates additional rates income due to the Council of £233k which has been included in this year's results. Income from the De-Rating Grant was £10k lower than the estimate.

The main favourable variances on revenue budgets occurred within Economic Development, £120k, due to delays in the award of contracts for projects, and Refuse Disposal and Recycling, £100k, due to a reduction in the percentage of waste being disposed of via landfill and improved recycling rates.

The Council however continues to face pressures from rising costs and reduced income and there have also been unfavourable variances in certain areas. Utility and maintenance costs at Council sites were £195k and £228k higher than estimated, while overall service income was £165k lower than income targets.

Expenditure on capital projects during the year amounted to £1.9m, the most significant spends were on the replacement of vehicles £624k, replacement of pool plant equipment, £362k and refurbishment works, £116k, at the Valley Leisure Centre, and the completion of the refurbishment of Rathfern Community Centre £138k.

Borrowings of £2.0m were taken up during the year with loan repayments of £2.8m made. Consequently borrowings decreased by £0.8m to £43.8m as at 31 March 2014.

The Movement in Reserves Statement

This Statement, as set out on page 16, shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the 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 17, shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

The Balance Sheet

The Balance Sheet, as set out on pages 18 and 19, shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, ie those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

The Cash Flow Statement

The Cash Flow Statement, as set out on page 20, 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.

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

These accounts were approved by the Audit Committee on 23 June 2014.

The Chief Financial Officer's Responsibilities

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

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

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

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

The Chief Financial Officer is also required to:-

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

NEWTOWNABBEY BOROUGH COUNCIL ANNUAL GOVERNANCE STATEMENT 2013-2014

Scope of responsibility

Newtownabbey Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government (Best Value) Act (Northern Ireland) 2002 to make arrangements for continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

The Council has approved and adopted a code of governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. This statement explains how the Council has complied with this code and also meets the requirements of Regulation 2A of the Local Government Accounts and Audit (Amendment) Regulations (Northern Ireland 2006) in relation to the publication of a statement on internal control.

The purpose of the governance framework

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

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Council for the year ended 31 March 2014 and up to the date of approval of the statement of accounts.

The governance framework

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

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

A new Corporate Plan for 2012-2016 was produced following the Executive's decision not to proceed with the Local Government reform programme in May 2011. Information was gathered from a range of stakeholders to help formulate policy and strategy.

An holistic approach to planning and performance management has been

established, through the implementation of a performance management cycle and the adoption of four core strategic themes. Policy and strategy is communicated to internal and external stakeholders through electronic media, the Council's internal communications system, induction, community and staff magazines and training and awareness.

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

Policy and strategy are reviewed, developed and updated through the corporate strategy review cycle, corporate workshops, business plan reviews and performance appraisal.

At the annual corporate workshop involving members and officers, corporate objectives are considered for the incoming year and performance is reviewed against objectives for the previous year. The Council measures performance against a range of performance indicators including those prescribed by the Department of the Environment.

- *measuring the quality of services for users, for ensuring they are delivered in accordance with the Council's objectives and for ensuring that they represent the best use of resources*

The Council utilises a wide range of perception measures and performance indicators for residents. Targets are established for customer performance indicators e.g. complaints, awards and recognition and qualitative press coverage. All Council services incorporate best value / continuous improvement as part of the performance management cycle and use this to develop departmental business plans.

The purpose of the corporate performance improvement plan is to demonstrate the steps the Council has undertaken to ensure continuous improvement is achieved within services.

An internal corporate working group was established to review and develop performance management indicators to support the delivery of the Corporate Plan for 2012-16.

The performance management programme is the system through which the Council's corporate improvement plan and the objectives flowing from it are managed.

Financial performance is assessed through regular budgeting meetings and is reported to Council periodically. Value for money auditing can be carried out by both internal and external auditors.

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

The Council operates a committee system, under which committees report to the Council as a whole. Each committee is responsible for determining policy within its own area within agreed terms of reference delegated from the Council. Officer roles are clearly defined in their job descriptions within approved staff structures. Information flows to and from Council by way of reports prepared by officers with recommendations when appropriate, and minutes prepared by the committee clerk in attendance. Council and committee minutes are placed onto the intranet to which all staff have access and decisions actioned at a series of meetings following Council meetings.

A number of operational matters are delegated to senior management. No formal

scheme of delegation exists and it is not the intention of the Council to introduce such a scheme due to the limited life of the current Council. The Council is satisfied that the respective roles and responsibilities are understood by both councillors and officers.

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

Codes of conduct for both Council members and officers are in place. All members and officers are given the code of conduct at their induction training and following the appointment of the new Council in May 2011, training was offered to all members which included the Code of Conduct for Members. Additionally, the Code of Conduct for employees was re-issued in early 2012. These codes are published on the Council's Intranet and are included in the Council's induction manual given to all staff.

The Council's hospitality policy has been communicated via the intranet and departmental meetings, with hospitality registers established in each department. A whistle-blowing policy has been approved by Council and notified to staff through the Council's internal communications system.

The Council has approved an anti-fraud and corruption policy and strategy which have been widely communicated to staff and other stakeholders through team meetings, induction procedures, the intranet and website. The Council's stance on fraud or corruption is stated in the Anti - Fraud and Corruption Policy 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'. Following anti-fraud training, the most recent being delivered in June 2013, departments maintain fraud risk assessments on their own activities and keep them under review. These fraud risk assessments are reviewed by the Internal Auditor to ensure that fraud risks and corresponding controls have been considered in all areas. A revised Fraud Response Plan was approved by Council in May 2013.

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

Standing orders and standing financial instructions are reviewed on a regular basis. Council approved in November 2012 revised standing orders and a programme of training was carried out for all members. The Council does not have a scheme of delegation but it has the power to lawfully delegate its authority to committees, sub committees and/or an individual officer. This includes approval of the financial statements to the audit committee and payment of accounts delegated to the Chief Executive. The Council approved a revised Risk Management Strategy and Policy in March 2013. A risk management group consisting of seven officers meets to co-ordinate the risk management initiative. The formal roles and responsibilities of this group are as follows:

- Facilitate the development and implementation of the Risk Management Strategy and Risk Management Policy
- Promote a culture in which risk management is embedded in all Council activities
- Establish risk management priorities within the Council and assign responsibility to appropriate individuals and sub-groups to address these priorities
- Develop a framework to ensure that the Council is achieving compliance with all statutory requirements

- Plan and co-ordinate Council wide controls, self-assessment, risk profiling activity and monitoring the controls once in place to ensure efficiency
- Review claims and incidents with a view to identifying areas of risk exposure
- Create a focus for all risk improvement activity leading, where possible, to improved terms in insured risks
- Take responsibility for effective and timely communication of risk management issues throughout the Council
- Development of the annual risk review report to be used as the basis for the Annual Governance Statement in the annual report and accounts. This will outline key activity undertaken, future organisational priorities and other relevant information.

The risk management group reported on the annual risk review for 2013/14 and concluded that the Council's risk management procedures are operating satisfactorily. 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.

Business continuity planning workshops have been held for senior staff from all departments. Their purpose was to promote understanding of the business continuity planning process and how it could be applied to departments. Each department has subsequently produced their own plan which is kept under review and regularly tested.

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

The Council has an audit committee which has operated since September 2006. This consists of five members of the Council plus an independent member, appointed in June 2010, which met three times in the financial year 2013/14.

The terms of reference of the audit committee are as follows:

- To approve the internal audit strategy, plan and monitor performance
 - To review summary internal audit reports and the main issues arising and seek assurance that action has been taken where necessary
 - To consider the effectiveness of risk management arrangements, the control environment and associated anti-fraud and corruption arrangements
 - To seek assurances that action is being taken on risk-related issues identified by auditors
 - To consider reports from external auditors
 - To review the financial statements, external auditor's opinion and reports to members and monitor management action in response to issues raised by external audit
 - To approve the Statements of Accounts, the Annual Governance Statement and the reviews of Internal Control and Internal Audit
 - To review any issue referred to the Audit Committee by the Council or Chief Executive
- *ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful*

The Council operates under a system of standing orders and financial procedures that all committees and officers must follow. There are clearly defined guidelines for capital expenditure, procurement, human resources management and project

management. Employees are made aware of the Council's financial arrangements through training and under the induction process. In addition, risk management has been developed within the Council with the establishment of a corporate risk register together with departmental risk registers.

Employees are aware of their responsibilities under health and safety regulations, equality legislation, data protection etc. and are trained appropriately. As a Council we will endeavour to ensure that all parties who may impact on the above directly or indirectly are aware of their responsibilities under current legislation that we as a Council are governed by, including but not limited to, Health & Safety Legislation, Equality Legislation, data protection etc.

The Council has an internal audit section which performs reviews of systems across all departments of the Council and provides management with an opinion on the controls within each of those departments.

The Council takes legal advice as needed.

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

The Council approved a whistle-blowing policy in August 2007. The Council's anti-fraud and corruption policy contains a procedure for the receipt of suspicions of fraud from members of the public, a copy of which has been placed on the Council's website.

Complaints are recorded via telephone, the Council website and in writing. These are investigated and monitored daily to meet deadlines in accordance with the Corporate Complaints Procedure. Analysis is carried out and forwarded to the corporate management team as and when required.

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

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 have also completed IT training and attend conferences as nominated representatives of the Council.

The development needs of senior officers are identified through the appraisal process. Training needs are identified through this process and appropriate training is arranged.

In addition to this, a programme of joint training with Antrim Borough Council was delivered and this related to the Reform of Public Administration, designed to successfully merge and build staff capacity during this ongoing change process.

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

The Council's customer consultation strategy covers a wide variety of customer satisfaction research. This includes: surveys, biennial surveys, ad hoc surveys, mystery visits, user groups, Council information stands, complaints procedure and focus groups. Recent surveys conducted through Source Magazine have attracted a good response rate and the feedback has been used to improve key services. Results of other surveys are included on the Council's website. To develop our

communication to customers further the Council published an annual report on its performance for 2012/13.

The Council's financial management arrangements conform with the governance arrangements of the CIPFA *Statement on the Role of the Chief Financial Officer in Local Government* (2010) as set out in the *Application Note to Delivering Good Governance in Local Government: a Framework*, 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 by suitably qualified and experienced staff within the finance function.

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 Council conducted a review of the effectiveness of the system of internal control in place within the Council. This review was informed by the work of internal audit and managers within the Council, who have responsibility for the development and maintenance of the internal control environment, and by comments made by the external auditors and other review agencies and inspectorates.

The results of this review, along with the Internal Audit Annual Report and the Annual Risk Review, 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 will be completed on an annual basis.

Each department 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 section managers 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.

A key role of internal audit is to make recommendations to improve the control environment in which systems operate. Reports, including an assessment of the adequacy and effectiveness of controls, and action plans to address weaknesses, are submitted to management for action. Summaries of these reports were also submitted to the audit committee for information.

Internal audit also reports to the Chief Executive and Audit Committee detailing the audit work completed during the year, providing an assurance opinion on the adequacy of the internal controls in operation within the Council. Internal audit's overall opinion for 2013/14 is that based solely on the work undertaken during the year, and does not imply that Internal Audit has reviewed all risks relating to the Council. Based on the work completed, except for those assignments which have provided "limited" assurance, being Contract Management and Fleet Management, Internal Audit has provided a satisfactory opinion. Overall there is an adequate and effective system of governance, risk management and control. While there is some residual risk identified this should not significantly impact on the

achievement of objectives. Some improvements are required to enhance the adequacy and/or effectiveness of governance, risk management and control.

The Local Government Auditor reviews Council governance on an annual basis and makes recommendations where appropriate.

The Council was successfully re-accredited with the Investors in People Standard in July 2013, this standard benchmarks business improvement through people and is the national standard for best practice in people management. The Council was successful in earning the highest standard of excellence known as Gold Status. The Council was also accredited with the Investors in People Good Practice Award for Health and Wellbeing in January 2012.

In May 2013 the Council won the Chartered Institute of Personnel and Development (CIPD) Award for Employee Engagement Initiative of the Year. The Council's engagement strategy supported the change programme, by building change co-operation and improving long-term flexibility and performance.

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

Significant governance issues

Following the introduction of a voluntary severance scheme for staff as an efficiency measure in June 2010, 53 applications for severance were approved in the financial years to 31 March 2013. A further 2 applications for voluntary severance were approved during this year and new structures implemented. Voluntary severance applications remain on-going (albeit smaller in number) and are considered based on the supporting business case.

Following the Executive's decision to proceed with Local Government reform in 2015 the Council together with Antrim Borough Council established a Statutory Transition Committee (STC) in July 2013, comprising of eight elected representatives from each Council. The Committee had previously operated as a voluntary committee. The Committee and the Transition Management Team (TMT) have been meeting regularly to progress the work associated with the creation of the new Council. A programme of work is already well under way and this will steer both Councils through the transition period, towards a successful merger on 1 April 2015. TMT meetings are also attended by representatives from the functions transferring from central government, including planning, urban regeneration and local economic development.

Internal Audit provided limited assurance with respect to their audit of Fleet Management, concerning the completeness of documentation and record keeping and inconsistent practices. Management are content that the relevant controls (to which the documentation relates) have operated and that this issue is simply one of paperwork. Therefore management have agreed to review and update fleet management supporting documentation and will be developing policy and procedure documents for the newly merged Council.

Internal Audit provided limited assurance with respect to their audit of Contract Management. Though a new contract management policy was implemented in late 2013, Internal Audit continued to note (as had been the case in the previous year's audit of contract management) that the monitoring of the performance of contractors by contract managers remained informal. Contract management training was rolled out in late 2013, and therefore would have had limited time to embed by the time at which the audit fieldwork took place. Notwithstanding this management have plans to review current practice and develop managers' capacity to manage contracts in line with policy.

Having recorded an increase in sickness absence for the year 2012/13 despite the initiatives taken by the Council to improve health and wellbeing, consultations about proposed changes to the current Managing Attendance Policy and Procedure took place at a local level with all of the recognised unions representing Council employees. This led to agreed changes to the current formal system for managing attendance. For the period April 2013 – March 2014, there has been a reduction in both the long and short term sickness absence and the average days per employee has reduced from 13.95 to 12.48 days. Under the revised policy, 44 formal warnings were issued for the 2013/14 period (compared to 5 formal warnings issued during the 2012/13 year, under the previous policy). The top five reasons for absence remain under review and a number of practical initiatives are in place to address these. Additionally, work is also underway to align the policy and practices between both Antrim and Newtownabbey Borough Councils.

Local Government Reform

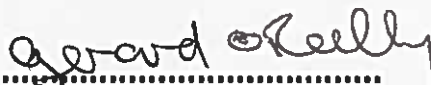
From 1 April 2015, under the Reform of Local Government (RLG), the number of Councils in Northern Ireland will reduce from the 26 existing to 11 new Councils, established under the Local Government Act (Northern Ireland) 1972 as amended by the Local Government (Boundaries) Act (Northern Ireland) 2008. From that date the Northern Ireland Executive has agreed to transfer some functions currently carried out by NI Government Departments and give some new responsibilities to the 11 new councils. The new councils will be stronger, more efficient and will deliver more effective services.

The new councils came into existence on 26th May 2014, operating in shadow form until they take over full responsibility for local government on 1st April 2015 when the 26 existing councils cease to exist. The final accounts for Newtownabbey Borough Council will therefore be for the 2014/15 financial year. The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 made transitional provision with respect to local government reorganisation including positions of responsibility within the new council for the winding up and final accounts of existing councils.

The Local Government Act (Northern Ireland) 2014 introduced the legislative frame work for Northern Ireland's 11 new councils and has made transitional provisions to provide for the transfer of staff, assets and liabilities from the current 26 councils to the 11 new councils, and from departments transferring functions to the new councils.

No other significant governance issues were identified.


.....
Jacqui Dixon
Chief Executive


.....
Councillor Gerard O'Reilly
Chairman of Audit Committee


27/10/14
.....
Date

27-10-2014
.....
Date

CERTIFICATE OF THE CHIEF FINANCIAL OFFICER

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2014 on pages 16 to 90 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 21 to 37.
- (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.


.....
Jacquie Dixon
Chief Financial Officer

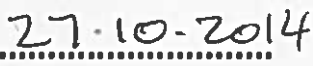

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Date

COUNCIL APPROVAL OF STATEMENT OF ACCOUNTS

These accounts were approved by resolution of the Audit Committee on 23 June 2014.

They were subsequently amended for the non-material items referred to in the Accounts Authorised for Issue Certificate on page 91.


.....
Councillor Gerard O'Reilly
Chairman of Audit Committee


.....
Date

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWTOWNABBAY BOROUGH COUNCIL

I have audited the financial statements of Newtownabbey Borough Council for the year ended 31 March 2014 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. The financial statements have been prepared under the accounting policies set out within them.

This report is made solely to the Members of 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.

Respective responsibilities of the Chief Financial Officer and the independent auditor

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. 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 conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining 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. This includes an assessment of: whether the accounting policies are appropriate to Newtownabbey Borough Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Newtownabbey Borough Council; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Statement of Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

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 2013-14, of the financial position of Newtownabbey Borough Council as at 31 March 2014 and its income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 and the Department of the Environment directions issued thereunder.

Opinion on other matters

In my opinion the information given in the Explanatory Foreword for the financial year ended 31 March 2014 is consistent with the financial statements.

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 2013-14; or
 - does not comply with proper practices specified by the Department of the Environment; or
 - is misleading or inconsistent with other information I am aware of from my audit; or
- adequate accounting records have not been kept; or
- the Statement of Accounts is not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit.

Certificate

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



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

28 October 2014

**Movement in Reserves Statement
For the Current and Comparative Year**

	General Fund Summary	Statutory Reserves	Other Fund Balances & Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£	£	£	£	£	£	£
At 1 April 2012	3,492,674	1,564	306,280	1,444	3,801,962	23,181,452	26,983,414
Movement in reserves during the year							
Surplus or (deficit) on the provision of services	(2,347,499)	-	-	-	(2,347,499)	-	(2,347,499)
Other Comprehensive Income and Expenditure	-	-	-	-	-	(3,493,055)	(3,493,055)
Total Comprehensive Income and Expenditure	(2,347,499)	-	-	-	(2,347,499)	(3,493,055)	(5,840,554)
Adjustments between accounting basis & funding basis under regulations	2,695,583	2	(54,755)	-	2,640,830	(2,640,828)	2
Net Increase/Decrease before Transfers to Statutory and Other Reserves	348,084	2	(54,755)	-	293,331	(6,133,883)	(5,840,552)
Transfers to/from Statutory and Other Reserves	-	-	-	-	-	-	-
Increase/Decrease in Year	348,084	2	(54,755)	-	293,331	(6,133,883)	(5,840,552)
At 31 March 2013 Restated	3,840,758	1,566	251,525	1,444	4,095,293	17,047,569	21,142,862
Movement in reserves during the year							
Surplus or (deficit) on provision of services	(1,897,350)	-	-	-	(1,897,350)	-	(1,897,350)
Other Comprehensive Income and Expenditure	-	-	-	-	-	16,439,926	16,439,926
Total Comprehensive Income and Expenditure	(1,897,350)	-	-	-	(1,897,350)	16,629,076	14,731,726
Adjustments between accounting basis & funding basis under regulations	1,788,498	-	(199,809)	-	1,588,689	(1,588,689)	-
Net Increase/Decrease before Transfers to Statutory and Other Reserves	(108,852)	-	(199,809)	-	(308,661)	15,040,387	14,731,726
Transfers to/from Statutory and Other Reserves	-	-	-	-	-	-	-
Increase/Decrease in Year	(108,852)	-	(199,809)	-	(308,661)	15,040,387	14,731,726
At 31 March 2014	3,731,906	1,566	51,716	1,444	3,786,632	32,087,956	35,874,588

**Comprehensive Income and Expenditure Statement
for the year ended 31 March 2014**

	<i>N o t e s</i>	2013/14			Restated 2012/13		
		Gross Expenditure	Gross Income	Net Cost	Gross Expenditure	Gross Income	Net Cost
		£	£	£	£	£	£
Services							
Leisure and Recreational Services	2	16,782,960	3,533,007	13,249,953	16,408,241	3,331,385	13,076,856
Environmental Services	2	11,934,047	1,731,551	10,202,496	11,810,687	1,613,549	10,197,138
DRM and Corporate Management	2	1,672,705	62,990	1,609,715	1,877,174	142,571	1,734,603
Other Services	2	1,228,642	415,607	813,035	1,166,588	499,126	667,462
Cost of Services on Continuing Operations	4-6	31,618,354	5,743,155	25,875,199	31,262,690	5,586,631	25,676,059
Other Operating Expenditure	7	-	23,620	(23,620)	8,259	-	8,259
Financing and Investment Income and Expenditure	8	3,024,906	9,090	3,015,816	3,102,725	16,166	3,086,559
Surplus or Deficit on Discontinued Operations		-	-	-	-	-	-
Net Operating Expenditure		34,643,260	5,775,865	28,867,395	34,373,674	5,602,797	28,770,877
Taxation and Non-specific Grant Income	9	-	26,970,045	(26,970,045)	-	26,423,378	(26,423,378)
Surplus/(Deficit) on the Provision of Services		34,643,260	32,745,910	(1,897,350)	34,373,674	32,026,175	(2,347,499)
Surplus/(Deficit) on revaluation of non-current assets	10a/ 10b/ 10d			12,882,335			(2,466,504)
Surplus/(Deficit) arising on revaluation of available-for-sale financial assets	25a/ 25b			-			-
Actuarial gains/losses on pension assets/liabilities	20			3,557,591			(1,026,551)
Any other gains and losses – Capital fund	25						2
Other Comprehensive Income and Expenditure				16,439,926			(3,493,053)
Total Comprehensive Income and Expenditure				14,542,576			(5,840,552)

Balance Sheet as at 31 March 2014

	<i>Notes</i>	31 March 2014	31 March 2013
		£	£
Land & Buildings	10a/10b	84,806,870	74,236,302
Infrastructure Assets	10a/10b	-	-
Landfill Site	10a/10b	-	-
Vehicles, Plant Furniture and Equipment	10a/10b	1,493,568	1,249,387
Community Assets	10a/10b	230,797	210,336
PP&E under Construction	10a/10b	364,214	209,532
Surplus Assets	10a/10b	1,711,000	2,029,477
Heritage Assets	10d	1,773,755	1,654,016
Investment Properties	10a/10b	-	-
Intangible Assets	10a/10b	30,852	13,168
Assets held for Sale	10e	-	-
Long Term Investments	15a	1,568	1,566
Investment in Associates & Joint Ventures		-	-
Long term Debtors	14a	3,346	7,663
LONG TERM ASSETS		90,415,970	79,611,447
Short Term Investments	15b/24a	-	-
Inventories	13	66,530	65,964
Short Term Debtors	14b	2,634,166	2,971,391
Cash & Cash Equivalents	24b	1,347,031	804,856
Assets held for Sale	10e	200,000	-
CURRENT ASSETS		4,247,727	3,842,211
Bank Overdraft		-	-
Short Term Borrowing	16a	4,941,255	2,821,371
Short Term Creditors	17a	3,230,025	3,311,955
Provisions	18	78,779	142,961
Liabilities in Disposal Groups		-	-
CURRENT LIABILITIES		8,250,059	6,276,287

Balance Sheet as at 31 March 2014

	<i>Notes</i>	31 March 2014	31 March 2013
		£	£
Long Term Creditors	<i>17b</i>	-	-
Provisions	<i>18</i>	-	-
Long Term Borrowing	<i>16b</i>	38,866,254	41,807,509
Other Long Term Liabilities	<i>20</i>	11,647,000	14,227,000
Donated Assets Account	<i>21</i>	-	-
Capital Grants Receipts in Advance	<i>22</i>	25,796	-
LONG TERM LIABILITIES		50,539,050	56,034,509
NET ASSETS		35,874,588	21,142,862
USABLE RESERVES			
Capital Receipts Reserve	<i>25a/25b</i>	1,444	1,444
Capital Grants Unapplied Account	<i>25a/25b</i>	51,716	251,525
Capital Fund	<i>25a/25b</i>	1,566	1,566
Renewal and Repairs Fund	<i>25a/25b</i>	-	-
Other Balances and Reserves	<i>25a/25b</i>	-	-
General Fund	<i>25a/25b</i>	3,731,906	3,840,758
UNUSABLE RESERVES			
Capital Adjustment Account	<i>25a/25b</i>	23,484,484	23,600,638
Financial Instruments Adjustment Account	<i>25a/25b</i>	-	-
Revaluation Reserve	<i>25a/25b</i>	20,415,294	7,824,882
Available for Sale Financial Instruments Reserve	<i>25a/25b</i>	-	-
Pensions Reserve	<i>25a/25b</i>	(11,647,000)	(14,227,000)
Capital Receipts Deferred Account	<i>25a/25b</i>	-	-
Accumulated Absences Account	<i>25a/25b</i>	(164,822)	(150,951)
Rates Claw-back Reserve	<i>25a/25b</i>	-	-
NET WORTH		35,874,588	21,142,862

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

	<i>Notes</i>	2013/14 £	Restated 2012/13 £
Net surplus or (deficit) on the provision of services		(1,897,350)	(2,347,499)
Adjustment to surplus or deficit on the provision of services for non-cash movements	24a	5,472,866	4,251,757
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	24a	(117,025)	(263,242)
Net cash flows from operating activities	24a, 24c	3,458,491	1,641,016
Net cash flows from investing activities	24d	(2,094,945)	(1,251,226)
Net cash flows from financing activities	24e	(821,371)	(2,208,057)
Net increase or decrease in cash and cash equivalents		542,175	(1,818,267)
Cash and cash equivalents at the beginning of the reporting period		804,856	2,623,123
Cash and cash equivalents at the end of the reporting period	24b	1,347,031	804,856

NOTES TO THE FINANCIAL STATEMENTS

1A Accounting Policies

General Principles

The Statement of Accounts summarises the Council's transactions for the 2013/14 financial year and its position at the year-end of 31 March 2014. The Council is required to prepare an annual Statement of Accounts in a form directed by the Department of the Environment in accordance with regulations 4 (1) and (2) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 and the Service Reporting Code of Practice 2013/14, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 also requires disclosure in respect of:

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 has made a provision for the costs of meeting liabilities from a number of requests for job evaluations by staff.

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 or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents 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.

Post Employment Benefits

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

The Northern Ireland Local Government Officers' Pension Fund

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

The liabilities of the Northern Ireland Local Government Officers' Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – 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 indicative rate of return on high quality corporate bonds on the iBoxx Sterling Corporate Index, AA

over 15 years with recently re-rated bonds removed from the index.

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

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

The change in the net pensions liability is analysed into 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 a 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 Northern Ireland Local Government Officers' Pension Fund.

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 his certificate and opinion. Where material adjustments are made in this period they will be disclosed.

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

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 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

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA *Service Reporting Code of Practice for Local Authorities 2013/14 (SeRCOP)*. The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

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

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

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 - straight-line allocation over 7 years.
- 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 1 April 2013 by Land and Property Services in accordance with the RICS Valuation Professional Standards 8th Edition, on the assumption that the Council will continue to be in occupation. These properties were then revalued using indices provided by Land and Property Services at 31 March 2014. The cumulative effect of these two revaluations has resulted in the carrying values of land, including community assets, surplus assets and heritage assets being increased by £2.6m, and buildings, including community assets and heritage assets, being increased by £7.2m.

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 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.

Historic Property

The main property owned by the Council is Sentry Hill; 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 Council also has ownership of a bivallate rath protected by the Environment Agency. Historic Properties are valued in accordance with the Council's policy (xx) Property, Plant and Equipment.

Art Collection

The art collection comprises sculptures constructed by the Council and a number of paintings. The sculptures are held at cost and are depreciated over their useful lives. The paintings are reported on the balance sheet at their insurance valuation, are deemed to have indeterminable lives and therefore it has not been considered appropriate to charge depreciation.

Other

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.

The museum service will collect material in the above categories which relate to the geographical area of the Borough of Newtownabbey. The museum service will also, by donation or acquisition, seek to address areas of under-representation in the general local history collection, ranging from pre-historic material to the contemporary. In particular the museum service will seek to develop the Mossley Mill collection and to acquire items relating to the textile industries within Newtownabbey Borough.

Items will be collected in accordance with the Museum Services Acquisition and Disposals policy, which is reviewed on a periodic basis.

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.

Disposals of heritage assets will be made in accordance with the Museum Services Acquisition and Disposals policy. The proceeds of such items 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) 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 2013/14, the following accounting standards have been issued but not yet adopted within the Code of Practice on Local Authority Accounting.

IFRS 13 Fair Value (2011). The adoption of IFRS 13 Fair Value Measurement was deferred from the 2013/14 Code. Work has been carried out with HM Treasury to analyse how the Standard can be applied and a joint consultation is presented as part of CIPFA's Invitation to comment (ITC) on the 2014/15 Code of Practice. The proposal is for application of the standard to property, plant and equipment to follow one of three routes. The route taken where IFRS 13 is not able to capture the constraints faced by local authorities in securing highest and best use for an asset requires adaptation of the Standard. Another of the routes would require the application of the highest and best use principle to property such as office accommodation for administrative purposes which might require remeasurement. The Exposure Draft to the 2014/15 Code and the ITC included a proposal for a three year concession where a "directors' valuation" may be made and formal revaluation deferred. CIPFA/LASAAC is of the view that the IFRS 13 provisions should not have a significant impact on local authority liability measurement. The disclosure requirements of IFRS 13 are designed to enable users of the financial statements to understand the valuation inputs and techniques used to measure fair value. CIPFA/LASAAC asked for views on the possibility of an adaptation for some of the disclosure requirements for assets and liabilities where measurements of assets or liabilities use unobservable inputs eg Depreciated Replacement Cost (DRC) measurements.

Group Accounting - IFRS 10 Consolidated Financial Statements (amended May 2011), IFRS 11 Joint Arrangements (amended May 2011), IFRS 12 Disclosure of Interests in Other Entities (amended May 2011), IAS 27 Separate Financial Statements (as amended in 2011) and IAS 28 Investment in Associates and Joint Ventures (as amended in 2011).

IFRS 10 Consolidated Financial Statements introduces as new principle of control where control exists if an entity possesses power over an investee, has exposure to variable returns from its involvement and has the ability to use its power to affect the level of returns. The new control criteria have been included in the proposed amendments to the Code. Transitional provisions are included in the Code ITC Exposure Draft for authorities whose consolidation decisions are affected by the change in the principle of control.

IFRS 11 Joint Arrangements which now defines only two types of arrangements that must be accounted for consistently with the rights and obligations that parties have in an arrangement ie: joint operations which require that an entity accounts for its share of the rights to assets and obligations for liabilities of the underlying arrangement, or joint ventures which require that an entity only has rights to the net assets of the arrangement.

IFRS 12 Disclosure of Interests in Other Entities requires disclosure of information that enables users to evaluate the risks associated with an entity's interests in other entities and their effect on its finances.

It is not anticipated that these standards will require significant changes in accounting or consolidating of other entities into the Councils financial statements. There may be a requirement to review bodies and relationships that the Council is involved in to assess the new control criteria.

IAS 32 Financial Instruments: Presentation – The 2013/14 Code included new disclosure requirements where financial assets and financial liabilities are offset (under the criteria defined in IAS 32 Financial Instruments: Presentation). It is not anticipated that changes resulting from amendments to IAS 32 will impact the Council.

Annual Improvements to IFRSs 2009 – 2011 Cycle. The IASB carries out cyclical work to identify and implement improvements in IFRSs. Of the latest issued cycle (Annual Improvements to IFRS s 2009-

2011 Cycle) the only issue requiring amendment to the Code is clarification relating to comparative information; and this amendment is not anticipated to have a material impact on the Council's 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 2014 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

i) Property, Plant and Equipment

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

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

It is estimated that the annual depreciation charge for buildings would increase by £123k for every year that useful lives had to be reduced.

ii) Provisions

The Council has made a provision of £78,779 (2012/13 £142,961) for the estimated cost of meeting liabilities from a number of requests for job evaluations by staff. While the sum provided should be reasonably accurate it is difficult to ascertain at this stage if this is sufficient to meet any potential costs that may arise.

iii) 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 £1.195m.

iv) Sundry Debtors

At 31 March 2014, the Council had a balance of sundry debtors for £272k. A review of significant balances suggested that an allowance for doubtful debts of £15k was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.

2a Notes to the Financial Statements**Segmental Reporting Analysis - Current Year**

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

Difference between items included in surplus/deficit on provision of services of (£1,897,350) and amounts reported in segmental analysis of £28,867,395 below is £26,970,045. This relates to taxation and non-specific grant income which is detailed in note 9 to the statement of accounts.

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

Services	2013/14		
	Gross Expenditure	Gross Income	Net Expenditure / (Income)
	£	£	£
Culture and Heritage	1,924,875	651,640	1,273,235
Recreation and Sport	11,526,859	2,007,192	9,519,667
Tourism	975,305	160,813	814,492
Community Services	2,355,921	713,362	1,642,559
Leisure and Recreational Services	16,782,960	3,533,007	13,249,953
Cemetery, Cremation and Mortuary	1,138,095	419,294	718,801
Environmental Health	1,538,143	214,221	1,323,922
Flood Defence and Land Drainage	-	-	-
Public Conveniences	28,800	45	28,755
Licensing	46,114	29,192	16,922
Other Cleaning	1,242,627	2,114	1,240,513
Waste Collection	4,788,548	505,969	4,282,579
Waste Disposal	2,415,889	176,422	2,239,467
Building Control	697,370	356,176	341,194
Other Community Assets	(14,103)	9,500	(23,603)
Minor Works	52,564	18,618	33,946
Environmental Services	11,934,047	1,731,551	10,202,496
Democratic Representation and Management	1,107,159	815	1,106,344
Corporate Management	565,546	62,175	503,371
DRM and Corporate Management	1,672,705	62,990	1,609,715
Economic Development	548,225	117,463	430,762
Trading Services	-	-	-
Non Distributed Costs	12,888	-	12,888
Central Services to the Public	667,529	298,144	369,385
Other Services	1,228,642	415,607	813,035
CONTINUING OPERATIONS	31,618,354	5,743,155	25,875,199

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

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

	£	£
Net Cost of Services in Service Analysis		25,875,199
<i>Items excluded from Service Analysis:</i>		
Add amounts not reported in Service Analysis but included in Net Cost of Services in Comprehensive Income and Expenditure Statement	-	
Remove amounts reported in Service Analysis but not included in Net Cost of Services in Comprehensive Income and Expenditure Statement	-	
Cost of Services on Continuing Operations in Comprehensive Income and Expenditure Statement		25,875,199
<i>Items included in Net Operating Expenditure excluded from Service Analysis:</i>		
Other Operating Expenditure	(23,620)	
Financing and Investment Income and Expenditure	3,015,816	
Surplus or Deficit on Discontinued Operations	-	2,992,196
Net Operating Expenditure per Comprehensive Income and Expenditure Statement		28,867,395

2b Notes to the Financial Statements**Segmental Reporting Analysis - Comparative Year**

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

Difference between items included in surplus/deficit on provision of services of (£2,347,499) and amounts reported in segmental analysis of £28,770,877 below is £26,423,378. This relates to taxation and non-specific grant income which is detailed in note 9 to the statement of accounts.

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

Services	2012/13		
	Gross Expenditure	Gross Income	Net Expenditure / (Income)
	£	£	£
Culture and Heritage	3,307,909	685,630	2,622,279
Recreation and Sport	10,936,859	2,063,111	8,873,748
Tourism	334,625	59,629	274,996
Community Services	1,828,848	523,015	1,305,833
Leisure and Recreational Services	16,408,241	3,331,385	13,076,856
Cemetery, Cremation and Mortuary	1,047,858	411,550	636,308
Environmental Health	1,719,362	176,829	1,542,533
Flood Defence and Land Drainage	-	-	-
Public Conveniences	37,771	38	37,733
Licensing	44,634	28,248	16,386
Other Cleaning	1,278,983	-	1,278,983
Waste Collection	4,445,707	442,436	4,003,271
Waste Disposal	2,366,932	284,222	2,082,710
Building Control	793,772	260,726	533,046
Other Community Assets	8,308	9,500	(1,192)
Minor Works	67,360	-	67,360
Environmental Services	11,810,687	1,613,549	10,197,138
Democratic Representation and Management	1,285,022	2,537	1,282,485
Corporate Management	592,152	140,034	452,118
DRM and Corporate Management	1,877,174	142,571	1,734,603
Economic Development	523,650	169,136	354,514
Trading Services	-	-	-
Non Distributed Costs	56,921	-	56,921
Non Distributed Costs (PPA – Note 32)	-	-	-
Central Services to the Public	586,017	329,990	256,027
Other Services	1,166,588	499,126	667,462
CONTINUING OPERATIONS	31,262,690	5,586,631	25,676,059

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

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

	£	£
Net Cost of Services in Service Analysis		25,676,059
<i>Items excluded from Service Analysis:</i>		
Add amounts not reported in Service Analysis but included in Net Cost of Services in Comprehensive Income and Expenditure Statement	-	
Remove amounts reported in Service Analysis but not included in Net Cost of Services in Comprehensive Income and Expenditure Statement	-	
Cost of Services on Continuing Operations in Comprehensive Income and Expenditure Statement		25,676,059
<i>Items included in Net Operating Expenditure excluded from Service Analysis:</i>		
Other Operating Expenditure	8,259	
Financing and Investment Income and Expenditure	3,086,559	
Surplus or Deficit on Discontinued Operations	-	3,094,818
Net Operating Expenditure per Comprehensive Income and Expenditure Statement		28,770,877

3a Adjustments between accounting basis and funding basis under regulations

	<i>Notes</i>	2013/14 £	2013/14 £	Restated 2012/13 £	Restated 2012/13 £
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:					
Impairments (losses & reversals) of non-current assets	10a/ 10b/10e	-	-	-	-
Derecognition (other than disposal) of non-current assets	10a/ 10b	-	-	-	-
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	10a/10b 10d/10e	813,554	-	1,841,548	-
Depreciation charged in the year on non-current assets	10a/ 10b/10d	3,174,859	3,988,413	3,290,958	5,132,506
Net Revenue expenditure funded from capital under statute			236,042		(122,323)
Carrying amount of non current assets sold	25	2,683		116,209	
Proceeds from the sale of PP&E, investment property and intangible assets	25	(26,303)	(23,620)	(109,140)	7,069
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	25			-	-
Net charges made for retirement benefits in accordance with IAS 19	20		2,622,000		2,209,000
Direct revenue financing of Capital Expenditure	11,25		(125,635)		(134,650)
Capital Grants and Donated Assets Receivable and Applied in year	9b		(76,165)		(119,857)
Capital Grants Receivable and Unapplied in year	9c		(14,555)		(34,243)
Rates Claw-Back Reserve	25a/ 25b				-
Adjustments in relation to Short-term compensated absences	17a		13,871		30,956
Adjustments in relation to Lessor Arrangements					-
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					
Statutory Provision for the Financing of Capital Investment / Loans/Lease principal repayments during the year	25a/ 25b		(3,187,444)		(2,753,324)
Employers contributions payable to the NILGOPF and retirement benefits payable direct to pensioners	20b		(1,644,409)		(1,519,551)
			1,788,498		2,695,583

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

	Notes	2013/14 £	2013/14 £	2012/13 £	2012/13 £
Capital Fund					
Interest		-		-	
Other	<i>25a/25b</i>	-	-	-	-
Renewal and Repairs Fund					
Interest		-		-	
Other	<i>25a/25b</i>	-	-	-	-
Other Funds and earmarked reserves					
Interest		-		-	
Other	<i>25a/25b</i>	-	-	-	-
			-		-

Cost of Services on Continuing Operations

4a Section 37, subject to Section 40 of the Local Government Finance Act (Northern Ireland) 2011 enables District Councils to spend up to the aggregate of the product of 0.0596p (2012/13 - 0.0596p) in the pound on the rateable value of non-domestic hereditaments equivalent to £28,211 in 2013/14 (2012/13 £27,126) and the product of a rate of 0.00082p (2012/13 - 0.00082p) in the pound on the rateable value of domestic hereditaments equivalent to £30,064 in 2013/14 (2012/13 £29,971) for the benefit of all the inhabitants in their district, or part of their district on activities not specifically authorised by other powers. Net expenditure amounted to £55,000 in 2013/14 (2012/13 £Nil).

4b Section 115c of the Local Government Act (Northern Ireland) 1972, as required by Article 41 of the Local Government (Miscellaneous Provisions) (Northern Ireland) Order 1992, requires the Council to keep a separate record of its expenditure on publicity. In 2013/14, the Council incurred expenditure totalling £113,975 (2012/13 £182,216).

	2013/14 £	2012/13 £
Promoting tourism	21,790	22,040
Promoting leisure facilities	21,645	33,950
Community relations	7,914	5,356
Refuse collection	11,262	49,955
Other advertising	51,364	70,915
	113,975	182,216

4c External Audit Fees

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

	2013/14 £	2012/13 £
Northern Ireland Audit office:		
External Audit Fees	28,000	27,000
Grant Claim Certification Fees	-	-
National Fraud Initiative	-	1,455
Adjustment For Previous Year	4,703	8,140
	32,703	36,595

There were no other fees payable in respect of any other services provided by the appointed auditor over and above those described above (2012/13 £Nil).

5 Operating and Finance Leases

Council as Lessor:

5a *Finance Leases (Council as lessor)*

The Council has not leased out any property on a finance lease.

5b *Operating Leases (Council as lessor)*

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

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

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £107,604 (2012/13 £179,896). No contingent rents were recognised.

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

	2013/14		2012/13	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Cost	3,329,190	-	3,075,772	-
Accumulated depreciation and impairments at 1 April	-	-	-	-
Depreciation charge for the year	-	-	-	-
Impairments	-	-	-	-
	3,329,190	-	3,075,772	-

Council as Lessee:

5c Finance Leases (Council as lessee)

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

5d 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:

	2013/14		2012/13	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease payments	-	57,832	-	84,586
Contingent rentals	-	-	-	-
Less: Sublease payments receivable	-	(20,330)	-	(33,459)
	-	37,502	-	51,127

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 2014 is £13,412 (2012/13 £36,085).

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

	2013/14		2012/13	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease rentals payable:				
No later than 1 year		27,963		57,296
Later than 1 year and no later than 5 years	-	15,306	-	37,912
Later than 5 years	-	-	-	-
		43,269	-	95,208

6 Employee Costs and Members' Allowances**6a Staff Costs**

	2013/14	2012/13
	£	£
Salaries and wages	9,593,656	9,542,110
Employers National Insurance	672,309	668,914
Employers pension costs	1,527,857	1,459,620
	11,793,822	11,670,644

In addition, agency costs during the year amounted to £327,322 (2012/13 £379,272).

The Council's current contribution rate to the Northern Ireland Local Government Officers' Pension Fund is 20%. At the last actuarial valuation, 31 March 2013, the Funding level has increased from 82% at the previous valuation at 31 March 2010 to 91% at this valuation.

Included in the above are costs of £51,490 (2012/13 £227,933) incurred as a result of a further phase of the Council's voluntary severance scheme for staff introduced as an efficiency measure. These costs are split into salary costs of £42,230 (2012/13 £177,642) and superannuation costs of £9,260 (2012/13 £50,292).

During the year the Council administered the Peace III program on behalf of Carrickfergus Borough Council, Antrim Borough Council and Newtownabbey Borough Council. Salaries and wages costs of £89,063 (2012/13 £101,465) were incurred on behalf of Peace III staff, and have not been included in the figures above, this is fully funded by SEUPB. A separate Statement of Accounts is produced by the Peace III Joint Committee and further information can be obtained from the Peace III Co-ordinator, Mossley Mill, Newtownabbey, BT36 5QA.

During the year the Council acted as Lead Council for the Statutory Transition Committee. Salaries and wages costs of £64,602 were incurred on behalf of Statutory Transition Committee staff, and of this £53,918 have not been included in the figures above, this is fully funded by Government Bodies and participating Councils. A separate Statement of Accounts is produced by the Statutory Transition Committee and further information can be obtained from the Statutory Transition Committee Co-ordinator, Mossley Mill, Newtownabbey, BT36 5QA

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

	2013/14 FTE	2012/13 FTE
Environmental services	127	125
Leisure services	145	143
Other	81	81
	353	349

	2013/14 Actual	2012/13 Actual
Full-time numbers employed	297	297
Part-time numbers employed	300	301
	597	598

6c Senior Employees' Remuneration

	2013/14 £	2012/13 £
£50,001 to £60,000	2	2
£60,001 to £70,000	2	2
£70,001 to £80,000	1	1
£80,001 to £90,000	1	1
£90,001 to £100,000	-	-
£100,001 and over	-	-
	6	6

6d 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 £391,691 (2012/13 £348,093) and are as follows:

	2013/14 £	2012/13 £
Salaries	-	-
Basic allowance	233,581	229,384
Mayor's & Deputy Mayor's Allowance	14,411	8,655
Dependents' carers allowance	-	-
Statutory Transition Committee Allowance	14,061	-
Employer costs	62,407	52,992
Mileage	13,163	13,100
Conferences and Courses	22,957	13,972
Travel Costs	181	305
Subsistence	265	608
Special responsibility allowances	30,665	29,077
Miscellaneous	-	-
Travel	-	-
	391,691	348,093

6e Exit Packages

During the year the Council agreed a number of exit packages. Total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13
£0 to £20,000	-	-	1	4	1	4	18,186	48,986
£20,001 to £40,000	-	-	1	5	1	5	33,304	135,908
£40,001 to £60,000	-	-	-	1	-	1	-	43,039
£60,001 to £80,000	-	-	-	-	-	-	-	-
£80,001 to £100,000	-	-	-	-	-	-	-	-
£100,001 to £150,000	-	-	-	-	-	-	-	-
Total	-	-	2	10	2	10	51,490	227,933

7 Other Operating Expenditure

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

	2013/14 £	Restated 2012/13 £
Proceeds from sale	(46,756)	(126,083)
Carrying amount of non-current assets sold (excl Investment Properties)	2,683	116,209
Proceeds from sale in the Comprehensive Income and Expenditure	20,453	16,943
	(23,620)	7,069

7b Other Operating Income/Expenditure

	2013/14 £	2012/13 £
Income	-	-
Expenditure	-	1,190
	-	1,190

Summary:	2013/14 £	Restated 2012/13 £
Other Operating Gross Income	(23,620)	-
Other Operating Gross Expenditure	-	8,259

Summary of Other Operating expenditure:	2013/14 £	2012/13 £
Surplus/Deficit on Non-Current Assets	(23,620)	7,069
Other Operating Income/Expenditure	-	1,190
Total Other Operating expenditure	(23,620)	8,259

8 Financing and Investment Income and Expenditure

8a Interest Payable and Similar Charges

	2013/14 £	2012/13 £
Lease/hire purchase interest	-	-
Bank interest	-	-
Loan Interest	2,421,906	2,551,725
Other interest (please specify)	-	-
	2,421,906	2,551,725

8b Interest and Investment Income

	2013/14 £	2012/13 £
Bank interest	(8,631)	(15,755)
Other interest	(459)	(411)
<i>Investment income on Fund Balances</i>		
Capital Fund	-	-
Repairs & Renewals Fund	-	-
Other Funds	-	-
Other Investment income	-	-
	(9,090)	(16,166)

8c Pensions interest cost and expected return on pensions assets

	2013/14 £	Restated 2012/13 £
Net interest on the net defined benefit liability (asset)	603,000	551,000

8d Surplus/(Deficit) on trading operations

	2013/14 £	2012/13 £
Income from trading	-	-
Expenditure	-	-
Surplus/(Deficit) for the year	-	-

8e Income, Expenditure and changes in Fair Value of Investment Properties

	2013/14 £	2012/13 £
Income/Expenditure from Investment Properties:		
Income including rental income	-	-
Expenditure	-	-
De-recognition in relation to amounts written off	-	-
<i>Net income from investment properties</i>	-	-
Surplus/deficit on sale of Investment Properties:	-	-
Proceeds from sale	-	-
Carrying amount of investment properties sold	-	-
<i>(Surplus)/deficit on sale of Investment Properties:</i>	-	-
Changes in Fair Value of Investment Properties	-	-
	-	-

	2013/14 £	Restated 2012/13 £
Summary:		
Financing and Investment Gross Income	(9,090)	(16,166)
Financing and Investment Gross Expenditure	3,024,906	3,102,725

	2013/14 £	Restated 2012/13 £
Summary of Financing and Investment Income and Expenditure:		
Interest Payable and Similar Charges	2,421,906	2,551,725
Interest and Investment Income	(9,090)	(16,166)
Pensions interest cost and expected return on pensions assets	603,000	551,000
Surplus/(Deficit) on trading operations	-	-
Changes in Fair Value of Investment Properties	-	-
Other investment income	-	-
Total Financing and Investment Income and Expenditure	3,015,816	3,086,559

	2013/14			Restated 2012/13		
	Gross Expenditure £	Gross Income £	Net Cost £	Gross Expenditure £	Gross Income £	Net Cost £
Interest Payable and Similar Charges	2,421,906	-	2,421,906	2,551,725	-	2,551,725
Interest and Investment Income	-	(9,090)	(9,090)	-	16,166	(16,166)
Pensions interest cost and expected return on pensions assets	603,000	-	603,000	551,000	-	551,000
Surplus/(Deficit) on trading operations	-	-	-	-	-	-
Changes in Fair Value of Investment Properties	-	-	-	-	-	-
Other investment income	-	-	-	-	-	-
	3,024,906	9,090	3,015,816	3,102,725	16,166	3,086,559

9 Taxation and Non-Specific Grant Income

9a Revenue Grants

	2013/14 £	2012/13 £
De-Rating	1,441,765	1,451,794
Other	-	-
	1,441,765	1,451,794

9b Capital Grants and Donated Assets-Applied

	2013/14 £	2012/13 £
Government & Other Grants-Conditions met and applied in year	76,165	119,857
Government & Other Grants-transfer from receipts in advance	-	-
Donated Assets-Conditions met	-	-
Donated Assets-transfer from donated assets creditor	-	-
	76,165	119,857

9c Capital Grants-Unapplied

	2013/14 £	2012/13 £
Government & Other Grants-Conditions met and not applied in year	31,725	34,243
De-recognition of Government & Other Grants previously recognised	(17,170)	-
	14,555	34,243

9d District Rates

	2013/14 £	2012/13 £
Current year	25,437,560	24,817,484
Finalisation - previous year	-	-
Transitional Relief	-	-
Finalisation - other years	-	-
	25,437,560	24,817,484

	2013/14 £	2012/13 £
Summary of Taxation and Non-Specific Grant Income:		
District Rates Income	25,437,560	24,817,484
Revenue Grants	1,441,765	1,451,794
Capital Grants and Contributions	90,720	154,100
Total Taxation and Non-Specific Grant Income	26,970,045	26,423,378

10a Fixed Assets Note – Current Year

	Property, Plant & Equipment (PP&E)											TOTAL £
	Land £	Buildings £	Infrastructure Assets £	Landfill Site £	Vehicles, Plant & Equipment £	Community Assets £	PP&E Under Construction £	Surplus Assets £	Total PP&E £	Investment Properties £	Intangible Assets £	
Cost or Valuation												
At 1 April 2013	16,367,866	60,329,564	-	-	10,052,877	226,056	209,532	2,029,477	89,215,372	-	308,024	89,523,396
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted opening balance	16,367,866	60,329,564	-	-	10,052,877	226,056	209,532	2,029,477	89,215,372	-	308,024	89,523,396
Additions (Note 11)	-	521,293	-	-	976,319	4,431	364,214	-	1,866,257	-	24,275	1,890,532
Donations	-	-	-	-	-	-	-	189,216	-	-	-	-
Revaluation increases/decreases to Revaluation Reserve	3,809,260	8,536,347	-	-	-	22,963	-	(307,693)	12,557,786	-	-	12,557,786
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	706,129	(3,277,728)	-	-	-	(9,000)	-	-	(2,888,292)	-	-	(2,888,292)
Derecognition - Disposals	-	-	-	-	(343,973)	-	-	-	(343,973)	-	-	(343,973)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	200,832	-	-	-	-	(209,532)	-	(8,700)	-	8,700	-
Reclassification to Held for Sale	-	-	-	-	-	-	-	(200,000)	(200,000)	-	-	(200,000)
Reclassified from Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment-Landfill Deferred Charge (Note 18)	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2014	20,883,255	66,310,308	-	-	10,685,223	244,450	364,214	1,711,000	100,198,450	-	340,999	100,539,449
Depreciation and Impairment												
At 1 April 2013	-	2,461,128	-	-	8,803,490	15,720	-	-	11,280,338	-	294,856	11,575,194
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted opening balance	-	2,461,128	-	-	8,803,490	15,720	-	-	11,280,338	-	294,856	11,575,194
Depreciation Charge	-	2,361,441	-	-	729,455	13,653	-	-	3,104,549	-	15,291	3,119,840
Depreciation written out on Revaluation Reserve	-	(409,779)	-	-	-	(2,901)	-	-	(412,680)	-	-	(412,680)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(2,026,097)	-	-	-	(12,819)	-	-	(2,038,916)	-	-	(2,038,916)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(341,290)	-	-	-	(341,290)	-	-	(341,290)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2014	-	2,386,693	-	-	9,191,655	13,653	-	-	11,592,001	-	310,147	11,902,148
Net Book Value												
At 31 March 2014	20,883,255	63,923,615	-	-	1,493,568	230,797	364,214	1,711,000	88,606,449	-	30,852	88,637,301
At 31 March 2013	16,367,866	57,868,436	-	-	1,249,387	210,336	209,532	2,029,477	77,935,034	-	13,168	77,948,202

10b Fixed Assets Note – Comparative Year

	Property, Plant & Equipment (PP&E)											TOTAL
	Land	Buildings	Infrastructure Assets	Landfill Site	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Investment Properties	Intangible Assets	
	£	£	£	£	£	£	£	£	£	£	£	£
Cost or Valuation												
At 1 April 2012	18,172,282	69,656,471	-	-	9,976,462	248,311	181,300	2,033,724	100,268,550	-	300,288	100,568,838
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted opening balance	18,172,282	69,656,471	-	-	9,976,462	248,311	181,300	2,033,724	100,268,550	-	300,288	100,568,838
Additions (Note 11)	1,000	1,159,474	-	-	525,416	39,044	209,532	-	1,934,466	-	7,736	1,942,202
Donations	-	-	-	-	-	(61,299)	-	(842)	(3,507,880)	-	-	(3,507,880)
Revaluation increases/decreases to Revaluation Reserve	(857,743)	(2,587,996)	-	-	-	-	-	(3,405)	(9,030,763)	-	-	(9,030,763)
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	(947,673)	(8,079,685)	-	-	-	-	-	-	(449,001)	-	-	(449,001)
Derecognition - Disposals	-	-	-	-	(449,001)	-	-	-	-	-	-	-
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	181,300	-	-	-	-	(181,300)	-	-	-	-	-
Reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Reclassified from Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment-Landfill Deferred Charge (Note 18)	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2013	16,367,866	60,329,564	-	-	10,052,877	226,056	209,532	2,029,477	89,215,372	-	308,024	89,523,396
Depreciation and Impairment												
At 1 April 2012	-	8,285,035	-	-	8,516,105	51,683	-	-	16,852,823	-	236,925	17,089,748
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	3,182,665	-	57,931	3,240,596
Adjusted opening balance	-	8,285,035	-	-	8,516,105	51,683	-	-	(1,119,723)	-	-	(1,119,723)
Depreciation Charge	-	2,437,628	-	-	729,317	15,720	-	-	(7,193,495)	-	-	(7,193,495)
Depreciation written out on Revaluation Reserve	-	(1,068,040)	-	-	-	(51,683)	-	-	-	-	-	-
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(7,193,495)	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(441,932)	-	-	-	(441,932)	-	-	(441,932)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2013	-	2,461,128	-	-	8,803,490	15,720	-	-	11,280,338	-	294,856	11,575,194
Net Book Value												
At 31 March 2013	16,367,866	57,868,436	-	-	1,249,387	210,336	209,532	2,029,477	77,935,034	-	13,168	77,948,202
At 31 March 2012	18,172,282	61,371,436	-	-	1,460,357	196,628	181,300	2,033,724	83,415,727	-	63,363	83,479,090

**10c Fixed Assets Note – Leased Assets
At 31 March 2014**

<u>LEASED ASSETS</u> (included within vehicles, plant and equipment)	Vehicles £	Equipment £	TOTAL £
Cost or Valuation			
At 1 April 2013	-	-	-
Additions	-	-	-
Disposals	-	-	-
At 31 March 2014	-	-	-
Depreciation			
At 1 April 2013	-	-	-
Disposals	-	-	-
Provided for year	-	-	-
At 31 March 2014	-	-	-
Net Book Value			
At 31 March 2014	-	-	-
At 31 March 2013	-	-	-

Comparative Year

<u>LEASED ASSETS</u> (included within vehicles, plant and equipment)	Vehicles £	Equipment £	TOTAL £
Cost or Valuation			
At 1 April 2012	-	-	-
Additions	-	-	-
Disposals	-	-	-
At 31 March 2013	-	-	-
Depreciation			
At 1 April 2012	-	-	-
Disposals	-	-	-
Provided for year	-	-	-
At 31 March 2013	-	-	-
Net Book Value			
At 31 March 2013	-	-	-
At 31 March 2012	-	-	-

10d Heritage Assets

	Historic Property £	Art Collection £	Other £	Total Assets £
Cost or Valuation				
At 1 April 2012	1,200,927	371,250	183,690	1,755,867
Additions	29,870	1,268	-	31,138
Disposals	-	-	-	-
Derecognition - Other	-	-	-	-
Revaluation Increases/(Decreases) to Revaluation Reserve	(71,317)	(7,030)	-	(78,347)
Revaluation Increases/(Decreases) to Surplus or Deficit on the Provision of Services		(4,280)	-	(4,280)
Impairment (Losses)/Reversals recognised in the Revaluation Reserve	-	-	-	-
Impairment (Losses)/Reversals recognised in Surplus or Deficit on the Provision of Services	-	-	-	-
Depreciation	(16,437)	(33,925)	-	(50,362)
At 31 March 2013	1,143,043	327,283	183,690	1,654,016
Cost or Valuation				
At 1 April 2013	1,143,043	327,283	183,690	1,654,016
Additions	-	37,917	-	37,917
Disposals	-	-	-	-
Derecognition - Other	-	-	-	-
Revaluation Increases/(Decreases) to Revaluation Reserve	113,455	(12,436)	-	101,019
Revaluation Increases/(Decreases) to Surplus or Deficit on the Provision of Services	15,252	20,570	-	35,822
Impairment (Losses)/Reversals recognised in the Revaluation Reserve	-	-	-	-
Impairment (Losses)/Reversals recognised in Surplus or Deficit on the Provision of Services	-	-	-	-
Depreciation	(16,328)	(38,691)	-	(55,019)
At 31 March 2014	1,255,422	334,643	183,690	1,773,755

Historic Property

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 DOE 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.

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.

Other

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.

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 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.

Additions of Heritage Assets

During the financial year the Council constructed a Racing Car Sculpture at Ballyrobert village. Works being undertaken at Kilbride Cemetery, valued at £3,628, are held within Assets Under Construction, which will be transferred to Heritage Assets once completed.

Additions comprise::	2013/14	2012/13
	£	£
Additions of:	37,917	31,138
Transfers from under construction of:	-	-
Total Additions	37,917	31,138

Disposals of Heritage Assets

No disposals of heritage assets took place during the financial year.

10e Assets Held for Sale

The Council is currently in negotiations to sell a piece of land at Glen Park.

At 31 March 2014	Assets Held for Sale- Current	Assets Held for Sale- Non-current	TOTAL
	£	£	£
Cost or Valuation			
At 1 April 2013			
Transferred from Non-Current Assets during year	200,000	-	200,000
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
At 31 March 2014	200,000	-	200,000
Impairment			
At 1 April 2013	-	-	-
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
At 31 March 2014	-	-	-
Net Book Value			
At 31 March 2014	200,000	-	200,000
At 31 March 2013	-	-	-

At 31 March 2013	Assets Held for Sale- Current	Assets Held for Sale- Non-current	TOTAL
	£	£	£
Cost or Valuation			
At 1 April 2012			
Transferred from Non-Current Assets during year	268,571	-	268,571
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	-	-	-
Derecognition - Disposals	(268,571)	-	(268,571)
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
At 31 March 2013	-	-	-
Impairment			
At 1 April 2012			
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	159,431	-	159,431
Derecognition - Disposals	(159,431)	-	(159,431)
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
At 31 March 2013	-	-	-
Net Book Value			
At 31 March 2013	-	-	-
At 31 March 2012	109,140	-	109,140

10f Investment Properties

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

	2013/14 £	2012/13 £
Rental income from investment property	-	-
Direct operating expenses arising from investment property	-	-
Net gain/(loss)	-	-

11 Capital Expenditure and Capital Financing

	Note	2013/14 £	2012/13 £
Opening Capital Financing Requirement		48,176,698	49,531,650
<i>Capital Investment</i>			
Property, Plant and Equipment	10a/10b /10d	1,866,257	1,934,466
Investment Properties		-	-
Intangible Assets	10a/10b	24,275	7,736
Heritage Assets	10d	37,917	31,138
Revenue Expenditure Funded from Capital under Statute	25a	55,996	77,715
<i>Sources of Finance</i>			
Capital Receipts	25a/25b	(26,303)	(109,140)
Government Grants and Other Contributions	25a/25b	(110,483)	(408,893)
Transfers from Earmarked Reserves		-	-
<i>Sums set aside from Revenue:</i>			
Direct Revenue Contributions	25a/25b	(125,635)	(134,650)
Minimum Revenue Provision / Loan/lease principal repayments during the year	25a/25b	(3,187,444)	(2,753,324)
Closing Capital Financing Requirement		46,711,278	48,176,698

Explanation of Movement in Year			
Increase in underlying need to borrow		(1,465,420)	(1,354,952)
Assets acquired under finance leases		-	-
Assets acquired under PFI/PPP contracts		-	-
Increase/(Decrease) in Capital Financing Requirement		(1,465,420)	(1,354,952)

12 Future Capital Commitments

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

	Gross Cost £	Grant Aid £	Net Cost £
Schemes underway	421,609	50,346	371,263
Other Commitments	708,429	237,030	471,399
Total	1,130,038	287,376	842,662

13 Inventories

	31 March 2014 £	31 March 2013 £
Central Stores	66,530	65,964
Other	-	-
Total	66,530	65,964

The cost of inventories recognised as expense and included in 'services' amounted to £613,271 (2012/13 £354,949).

14 Debtors**14a Long Term Debtors**

	31 March 2014 £	31 March 2013 £
Government Departments	-	-
Other Councils	-	-
Public corporations and trading funds	-	-
Bodies external to general government	-	-
Employee car loans	3,190	6,661
Bike to Work Scheme	156	1,002
Grants	-	-
Loans and advances	-	-
Finance lease debtors-Note 5c)	-	-
Trade debtors	-	-
NIHE Loans	-	-
Other	-	-
Impairment of loans and receivables	-	-
Total Long-Term Debtors	3,346	7,663

14b Short Term Debtors

	31 March 2014 £	31 March 2013 £
Government Departments	860,456	1,012,196
Other Councils	34,284	15,760
Public corporations and trading funds	-	-
Bodies external to general government	-	-
Employee car loans	5,065	6,587
Bike to Work Scheme	4,806	7,847
Grants	134,960	505,612
Value Added Tax	722,957	611,627
Prepayments	114,380	128,409
Finance lease debtors - (Note 5c)	-	-
Other	772,952	707,650
Trade receivables	-	-
Impairment loss - Trade receivables	(15,694)	(24,297)
Total Short-Term Debtors	2,634,166	2,971,391
Total Debtors	2,637,512	2,979,054

15a Long Term Investments

	31 March 2014 £	31 March 2013 £
Investments - general	-	-
Investments – repairs and renewals	-	-
Investments – capital fund	1,568	1,566
Investments - other	-	-
Total Long-term Investments	1,568	1,566

Analysed over:

	31 March 2014 £	31 March 2013 £
Money market deposits	-	-
Other deposits	1,568	1,566
Total Long-term Investments	1,568	1,566

15b Short Term Investments

	31 March 2014 £	31 March 2013 £
Investments - general	-	-
Investments – repairs and renewals	-	-
Investments – capital fund	-	-
Investments - other	-	-
Total Long-term Investments	-	-

Analysed over:

	31 March 2014 £	31 March 2013 £
Money market deposits	-	-
Other deposits	-	-
Total Long-term Investments	-	-
Total Long Term and Short-term Investments	1,568	1,566

16a Short Term Borrowing

	31 March 2014 £	31 March 2013 £
Loans re-payable within one year	4,941,255	2,821,371
Finance Lease Principal	-	-
Total Short Term Borrowing	4,941,255	2,821,371

16b Long Term Borrowing

	31 March 2014 £	31 March 2013 £
Between 1 and 2 years	2,777,880	2,941,255
Between 2 and 5 years	7,255,757	7,746,381
Between 5 and 10 years	8,726,671	9,503,081
In more than 10 years	20,105,946	21,616,792
Government Loans Fund	38,866,254	41,807,509
Total Borrowing	43,807,509	44,628,880

Interest rates on Government Loans range between 1.510% and 14.125%.

The loans are analysed on a repayment basis.

17a Short Term Creditors

	31 March 2014 £	31 March 2013 £
Government Departments	457,362	503,081
Other Councils	60,696	17,409
Public corporations and trading funds	-	-
Bodies external to general government	-	-
Rates clawback	-	-
Remuneration due to employees	344,231	425,388
Accumulated Absences	164,822	150,951
Receipts in advance	560,400	507,036
Trade creditors	-	-
Other	1,642,514	1,708,090
Total Short Term Creditors	3,230,025	3,311,955

17b Long Term Creditors

	31 March 2014 £	31 March 2013 £
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	-	-
Other	-	-
Total Long Term Creditors	-	-
Total Creditors	3,230,025	3,311,955

17c Payment of Invoices

The Council has a target of paying invoices within 30 days. During the year the Council paid 17,141 invoices (2012/13 17,332) totalling £25,937,237 (2012/13 £24,200,613), inclusive of VAT. The Council has arrangements in place to calculate the interval from receipt of an invoice to payment date. The payment performance for 2013/14 was on average 10 days from receipt of invoice to payment (2012/13 19 days).

During 2013/14 the Council paid 16,914 invoices within 30 calendar days, 15,570 of which were paid within 10 working days. 227 invoices were paid outside 30 days. A number of these invoices were subject to query with the supplier.

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

18 Provisions

	At 1 April 2013	Increase in provision during year	Utilised during year	Interest earned	At 31 March 2014
	£	£	£	£	£
Single status	-	-	-	-	-
Election expenses	-	-	-	-	-
Landfill closure	-	-	-	-	-
Reorganisation	-	-	-	-	-
Claims management	-	-	-	-	-
Other	142,961	62,964	127,146	-	78,779
	142,961	62,964	127,146	-	78,779

Current Provisions	142,961	62,964	127,146	-	78,779
Long Term Provisions	-	-	-	-	-
	142,961	62,964	127,146	-	78,779

Comparative Year

	At 1 April 2012	Increase in provision during year	Utilised during year	Interest earned	At 31 March 2013
	£	£	£	£	£
Single status	-	-	-	-	-
Election expenses	-	-	-	-	-
Landfill closure	-	-	-	-	-
Reorganisation	-	-	-	-	-
Claims management	-	-	-	-	-
Other	243,312	145,888	246,239	-	142,961
	243,312	145,888	246,239	-	142,961

Current Provisions	243,312	145,888	246,239	-	142,961
Long Term Provisions	-	-	-	-	-
	243,312	145,888	246,239	-	142,961

Provision of £78,779 (2012/13 £142,961) has been made for the estimated cost of meeting liabilities from a number of requests for job evaluations by staff, which are outstanding at the balance sheet date.

19 Financial Instruments

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

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. 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 trade debtors and, as such, there is no additional estimated exposure to default and inability to collect.

Trade debtors of £272,796 (2012/13 £270,841) included in Note 14 can be analysed by age as follows:

	2013/14 £	2012/13 £
Less than three months	248,541	241,626
Three to six months	6,805	9,436
Six months to one year	11,789	13,779
More than one year	5,661	6,000
	272,796	270,841

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 16 and 17. All trade and other payables are due for payment within one year.

Market RiskInterest 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 and Personnel and a Local Authority at rate of interest that differ from the prevailing market rates. The fair value of these loans is £54,424,261 (2012/13 £59,768,471).

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

20 Retirement Benefits**20a Participation in the Northern Ireland Local Government Officers' Pension Fund.**

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

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

20b 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:

	2013/14 £	2012/13 £
Net cost of services:		
Current service cost	2,009,000	1,604,000
Past service cost/(gain)	10,000	54,000
Gains and losses on settlements or curtailments	-	-
Net operating expenditure:		
Net interest on net defined benefit liability/(asset)	603,000	551,000
Total post-employment benefits charged to the Surplus or Deficit on the Provision of Services	2,622,000	2,209,000
Movement in Reserves Statement:		
Reversal of net charges made for retirement benefits in accordance with IAS 19	(2,622,000)	(2,209,000)
Actual amount charged against the general fund balance for pensions in the year:		
Employers' contributions payable to scheme.	1,644,409	1,519,551
Retirement Benefits Adjustment	(977,591)	(689,449)

The Current service cost includes an allowance for the administration expenses of £0.024m.

Remeasurements recognised in Other Comprehensive Income and Expenditure

	2013/14	2012/13
	£	£
Liability gains/(losses) due to change in assumptions	4,005,000	(6,377,000)
Liability experience gains/(losses) arising in the year	(957,000)	(21,000)
Actuarial gains/(losses) on plan assets	449,000	5,259,000
Other	60,591	112,449
Total gains/(losses) recognised in Other Comprehensive Income and Expenditure	3,557,591	(1,026,551)

20c Assets and liabilities in relation to retirement benefits**Reconciliation of present value of the scheme liabilities:**

	2013/14	2012/13
	£	£
Balance as at 1 April	63,412,000	54,429,000
Current service cost	2,009,000	1,604,000
Interest cost	2,815,000	2,563,000
Contributions by members	502,000	489,000
Remeasurement (Gains) and losses:		
Actuarial losses/(gains) arising on liabilities from experience	957,000	21,000
Actuarial losses/(gains) arising from demographic changes	(2,321,000)	-
Actuarial losses/(gains) arising from financial assumptions	(1,684,000)	6,377,000
Other	-	-
Past service costs/(gains)	10,000	54,000
Losses/(gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Estimated unfunded benefits paid	(118,000)	(117,000)
Estimated benefits paid	(2,167,000)	(2,008,000)
Balance as at 31 March	63,415,000	63,412,000

Reconciliation of present value of the scheme assets:

	2013/14	2012/13
	£	£
Balance as at 1 April	49,185,000	41,918,000
Interest income	2,212,000	2,012,000
Contributions by members	502,000	489,000
Contributions by employer	1,587,000	1,515,000
Contributions in respect of unfunded benefits	118,000	117,000
Remeasurement gain/(loss)	449,000	5,259,000
Assets distributed on settlements	-	-
Unfunded benefits paid	(118,000)	(117,000)
Benefits paid	(2,167,000)	(2,008,000)
Balance as at 31 March	51,768,000	49,185,000

The Council employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 March 2014.

The actual return on scheme assets in the year was a gain of £2,661,000 (2012/13 £7,271,000).

Fair Value of Plan Assets

	31 March 2014 £	31 March 2013 £
Equity investments	38,412,000	37,184,000
Bonds	6,212,000	5,607,000
Property	5,798,000	3,787,000
Cash	1,346,000	2,312,000
Other	-	295,000
	51,768,000	49,185,000

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 March 2014 £	31 March 2013 £
Fair Value of Employer Assets	51,768,000	49,185,000
Present Value of Funded Defined Benefit Obligation	(61,654,000)	(61,423,000)
Pension Asset/(Liability) of Funded Scheme	(9,886,000)	(12,238,000)
Present Value of Unfunded Defined Benefit Obligation	(1,761,000)	(1,989,000)
Other Movement in the Liability	-	-
Net Asset/(Liability) arising from the Defined Benefit Obligation	(11,647,000)	(14,227,000)
<i>Amount in the Balance sheet:</i>		
Liabilities	(11,647,000)	(14,227,000)
Assets	-	-
Net Asset/(Liability)	(11,647,000)	(14,227,000)

20d Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2015

	£
Projected Current Cost	1,978,000
Net Interest on the Net Defined Benefit Liability/(Asset)	464,000
Past Service Cost	-
Gains and Losses on Settlements or Curtailments	-
	2,442,000

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the Council in the year to 31 March 2015 is £1,638,000.

20e 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 2013.

	2013/14	2012/13
Mortality assumptions:		
<i>Longevity at 65 current pensioners:</i>		
Men	22.1 years	23.2 years
Women	24.6 years	26.1 years
<i>Longevity at 65 for future pensioners:</i>		
Men	24.3 years	25.2 years
Women	26.9 years	28.1 years
Inflation/Pension Increase Rate	2.40%	2.80%
Salary Increase Rate	3.90%	5.20%
Discount Rate	4.30%	4.50%
Take-up of option to convert annual pension into retirement lump sum:		
Service to April 2009	75%	50%
Service post April 2009	75%	75%

20f 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 2014 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.

Discount Rate Assumption		
<i>Adjustment to discount rate</i>	+0.1% p.a.	-0.1% p.a.
Present value of the total obligation	60,459,000	62,874,000
% change in the present value of the total obligation	-1.90%	2.00%
Projected service cost	1,916,000	2,041,000
Approximate % change in projected service cost	-3.10%	3.20%

Rate of General Increase in Salaries		
<i>Adjustment to salary increase rate</i>	+0.1% p.a.	-0.1% p.a.
Present value of the total obligation	62,039,000	61,274,000
% change in the present value of the total obligation	0.60%	-0.60%
Projected service cost	1,994,000	1,962,000
Approximate % change in projected service cost	0.80%	-0.80%

Rate of Increase to Pensions in Payment and Deferred Pension Assumption		
<i>Adjustment to pension increase rate</i>	+0.1% p.a.	-0.1% p.a.
Present value of the total obligation	62,476,000	60,853,000
% change in the present value of the total obligation	1.30%	-1.30%
Projected service cost	2,010,000	1,946,000
Approximate % change in projected service cost	1.60%	-1.60%

Post Retirement Mortality Assumption		
<i>Adjustment to the mortality age rate assumption*</i>	+0.1% p.a.	-0.1% p.a.
Present value of the total obligation	63,086,000	60,217,000
% change in the present value of the total obligation	2.30%	-2.30%
Projected service cost	2,038,000	1,917,000
Approximate % change in projected service cost	3.00%	-3.10%

* 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.

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

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

	31 March 2014 %	31 March 2013 %
Equity investments	74.20%	75.60%
Bonds	12.00%	11.40%
Property	11.20%	7.70%
Cash	2.60%	4.70%
Other	0.00%	0.60%
	100.00%	100.00%

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.

21 Donated Assets Account

	Note	2013/14 £	2012/13 £
Opening balance		-	-
Add: new donated assets received (condition of use not met)		-	-
Less: amounts released to the General Fund - Comprehensive Income and Expenditure Account (conditions met)		-	-
		-	-

Analysis of Donated Assets Account

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

	Note	31 March 2014 £	31 March 2013 £
Donated Assets Account			
Donation A		-	-
Donation B		-	-
Donation C		-	-
		-	-

22 Capital Grants Received in Advance

	Note	2013/14 £	2012/13 £
Opening balance		-	-
Add: new capital grants received in advance (condition of use not met)		25,796	-
Less: amounts released to the Comprehensive Income and Expenditure Statement		-	-
		25,796	-

Analysis of Capital Grants Receipts in Advance Balance

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

Capital Grants Receipts in Advance	Note	2013/14 £	2012/13 £
Outdoor gym equipment		25,796	-
		25,796	-

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

24a 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**

	2013/14 £	Restated 2012/13 £
Depreciation	3,174,859	3,290,958
Impairment & downward revaluations (& non-sale derecognitions)	813,554	1,841,548
(Increase)/Decrease in Stock	(566)	3,484
(Increase)/Decrease in Debtors	274,883	(1,526,006)
Increase/(decrease) in impairment provision for bad debts	(8,603)	3,068
Increase/(Decrease) in Creditors	302,647	(66,602)
Increase/(Decrease) in Interest Creditors	-	-
Retirement Benefits Adjustment	977,591	689,449
Carrying amount of non-current assets sold	2,683	116,209
WIP written off to Net Cost of Services	-	-
Contributions to Other Reserves/Provisions	(64,182)	(100,351)
Amounts posted to C I&E from Donated Assets Account	-	-
	5,472,866	4,251,757

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities

	2013/14 £	2012/13 £
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)	(2)	(2)
Proceeds from the sale of PP&E, investment property and intangible assets	(26,303)	(109,140)
Capital grants included in "Taxation & non-specific grant income"	(90,720)	(154,100)
	(117,025)	(263,242)

24b Cash and Cash Equivalents

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

	31 March 2014 £	31 March 2013 £
Cash and Bank balances	54,680	54,525
Short Term Investments (considered to be Cash Equivalents)	2,250,017	1,350,000
Short Term Deposits (considered to be Cash Equivalents)	-	-
Bank Overdraft	(957,666)	(599,669)
	1,347,031	804,856

24c Cash Flow Statement-Operating Activities

	2013/14 £	2012/13 £
The cash flows from operating activities include:		
Interest received	10,364	25,804
Interest paid	2,451,263	2,576,786

24d Cash flows from Investing Activities

	2013/14 £	2012/13 £
Purchase of PP&E, investment property and intangible assets	(2,287,230)	(1,781,784)
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	12,321	109,140
Proceeds from Short Term Investments (not considered to be cash equivalents)	-	-
Proceeds from Long Term Investments	-	-
Capital Grants and Contributions Received	179,964	421,418
Other Receipts from Investing Activities	-	-
Net Cash flows from Investing Activities	(2,094,945)	(1,251,226)

24e Cash flows from Financing Activities

	2013/14 £	2012/13 £
Cash Receipts from Short and Long Term Borrowing	2,000,000	475,000
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	(2,821,371)	(2,683,057)
Other payments for Financing Activities		
Net Cash flows from Financing Activities	(821,371)	(2,208,057)

25a Analysis of Movement on Reserves - Current Year

	Note	USABLE RESERVES						TOTAL USABLE RESERVES
		Capital Receipts Reserve	Capital Grants Unapplied Account	Capital Fund	Renewal & Repairs Fund	Other Balances and Reserves (Election Reserve)	General Fund	
		£ 26a)	£ 26b)	£ 26c)	£ 26d)	£ 26e)	£ 26f)	£
At 1 April 2013		1,444	251,525	1,566	-	-	3,840,758	4,095,293
Movements during the year:								
Applied Capital Grants.	3,21,22	-	-	-	-	-	(76,165)	(76,165)
Unapplied Capital Grants received in year.		-	14,555	-	-	-	(14,555)	-
Unapplied Capital Grants transferred to CAA in year.		-	(34,318)	-	-	-	-	(34,318)
Direct Revenue Financing.	3,11	-	-	-	-	-	(125,635)	(125,635)
Depreciation & impairment adjustment.	3	-	-	-	-	-	3,988,413	3,988,413
Statutory Provision for financing Capital Investment	3	-	-	-	-	-	(3,187,444)	(3,187,444)
Net Revenue expenditure funded from capital under statute.		-	(180,046)	-	-	-	236,042	55,996
Surplus/(Deficit) on the Provision of Services.		-	-	-	-	-	(1,897,350)	(1,897,350)
Transfers between Statutory and Other Reserves and General Fund.		-	-	-	-	-	-	-
Retirement Benefits Adjustment.	3,20	-	-	-	-	-	977,591	977,591
Disposal of Fixed Assets/Capital Sales.	3,10	26,303	-	-	-	-	(23,620)	2,683
Capital Receipts used to finance capital expenditure.	11	(26,303)	-	-	-	-	-	(26,303)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements.		-	-	-	-	-	13,871	13,871
Revaluations & Impairments.	10,20	-	-	-	-	-	-	-
Other Movements.		-	-	-	-	-	-	-
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure.	11	-	-	-	-	-	-	-
Total movements on reserves during the year (Change in Net Worth)		-	(199,809)	-	-	-	(108,852)	(308,661)
At 31 March 2014		1,444	51,716	1,566	-	-	3,731,906	3,786,632

Newtownabbey Borough Council - Statement of Accounts for the year ended 31 March 2014

		UNUSABLE RESERVES							TOTAL UNUSABLE RESERVES	TOTAL AUTHORITY RESERVES
Capital Adjustment Account	Financial Instruments Adjustment Account	Revaluation Reserve	Available for Sale Financial Instruments Reserve	Pensions Reserve	Deferred Capital Receipts Account	Accumulated Absences Account	Rates Claw-Back Reserve			
£ 26g)	£ 26h)	£ 26i)	£ 26j)	£ 26k)	£ 26l)	£ 26m)	£ 26n)	£	£	
23,600,638	-	7,824,882	-	(14,227,000)	-	(150,951)	-	17,047,569	21,142,862	
76,165	-	-	-	-	-	-	-	76,165	-	
34,318	-	-	-	-	-	-	-	34,318	-	
125,635	-	-	-	-	-	-	-	125,635	-	
(3,988,413)	-	-	-	-	-	-	-	(3,988,413)	-	
3,187,444	-	-	-	-	-	-	-	3,187,444	-	
(55,996)	-	-	-	-	-	-	-	(55,996)	(1,897,350)	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	(977,591)	-	-	-	(977,591)	-	
(2,683)	-	-	-	-	-	-	-	(2,683)	-	
26,303	-	-	-	-	-	-	-	26,303	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	(13,871)	-	(13,871)	-	
481,073	-	13,071,485 (481,073)	-	3,557,591	-	-	-	16,629,076	16,629,076	
-	-	-	-	-	-	-	-	-	-	
(116,154)	-	12,590,412	-	2,580,000	-	(13,871)	-	15,040,387	14,731,726	
23,484,484	-	20,415,294	-	(11,647,000)	-	(164,822)	-	32,087,956	35,874,588	

At 1 April 2013
Movements during the year:
 Applied Capital Grants.
 Unapplied Capital Grants received in year.
 Unapplied Capital Grants transferred to CAA in year.
 Direct Revenue Financing.
 Depreciation & impairment adjustment.
 Statutory Provision for financing Capital Investment.
 Net Revenue expenditure funded from capital under statute.
 Surplus/(Deficit) on the Provision of Services.
 Transfers between Statutory and Other Reserves and General Fund.
 Retirement Benefits Adjustment.
 Disposal of Fixed Assets/Capital Sales.
 Capital Receipts used to finance capital expenditure.
 Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements.
 Revaluations & Impairments.
 Other Movements.
 Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure.
Total movements on reserves during the year (Change in Net Worth)
At 31 March 2014

25b Analysis of Movement on Reserves - Comparative Year

	USABLE RESERVES						Restated TOTAL USABLE RESERVES
	Capital Receipts Reserve	Capital Grants Unapplied Account	Capital Fund	Renewal & Repairs Fund	Other Balances and Reserves (Election Reserve)	Restated General Fund	
Note	£ 26a)	£ 26b)	£ 26c)	£ 26d)	£ 26e)	£ 26f)	£
At 1 April 2012	1,444	306,280	1,564	-	-	3,492,674	3,801,962
Movements during the year:							
Applied Capital Grants.	3,21,22	-	-	-	-	(119,857)	(119,857)
Unapplied Capital Grants received in year.	-	34,243	-	-	-	(34,243)	-
Unapplied Capital Grants transferred to CAA in year.	-	(289,036)	-	-	-	-	(289,036)
Direct Revenue Financing.	3,11	-	-	-	-	(134,650)	(134,650)
Depreciation & impairment adjustment.	3	-	-	-	-	5,132,506	5,132,506
Statutory Provision for financing Capital Investment	3	-	-	-	-	(2,753,324)	(2,753,324)
Net Revenue expenditure funded from capital under statute.	-	-	-	-	-	(122,323)	77,715
Surplus/(Deficit) on the Provision of Services.	-	200,038	-	-	-	(2,347,499)	(2,347,499)
Transfers between Statutory and Other Reserves and General Fund.	-	-	-	-	-	-	-
Retirement Benefits Adjustment.	3,20	-	-	-	-	689,449	689,449
Disposal of Fixed Assets/Capital Sales.	3,10	109,140	-	-	-	7,069	7,069
Capital Receipts used to finance capital expenditure.	11	(109,140)	-	-	-	-	(109,140)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements.	-	-	-	-	-	30,956	30,956
Revaluations & Impairments.	10,20	-	-	-	-	-	-
Other Movements.	-	-	2	-	-	-	2
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure.	-	-	-	-	-	-	-
Total movements on reserves during the year (Change in Net Worth)	-	(54,755)	2	-	-	348,084	293,331
At 31 March 2013	1,444	251,525	1,566	-	-	3,840,758	4,095,293

Newtownabbey Borough Council - Statement of Accounts for the year ended 31 March 2014

		UNUSABLE RESERVES								Restated TOTAL UNUSABLE RESERVES	Restated TOTAL AUTHORITY RESERVES
	Capital Adjustment Account	Financial Instruments Adjustment Account	Revaluation Reserve	Available for Sale Financial Instruments Reserve	Restated Pensions Reserve	Deferred Capital Receipts Account	Accumulated Absences Account	Rates Claw-Back Reserve			
	£ 26g)	£ 26h)	£ 26i)	£ 26j)	£ 26k)	£ 26l)	£ 26m)	£ 26n)	£	£	
At 1 April 2012	25,356,686	-	10,455,761	-	(12,511,000)	-	(119,995)	-	23,181,452	26,983,414	
Movements during the year:											
Applied Capital Grants.	119,857	-	-	-	-	-	-	-	119,857	-	
Unapplied Capital Grants received in year.	-	-	-	-	-	-	-	-	-	-	
Unapplied Capital Grants transferred to CAA in year.	289,036	-	-	-	-	-	-	-	289,036	-	
Direct Revenue Financing.	134,650	-	-	-	-	-	-	-	134,650	-	
Depreciation & impairment adjustment.	(5,132,506)	-	-	-	-	-	-	-	(5,132,506)	-	
Statutory Provision for financing Capital Investment	2,753,324	-	-	-	-	-	-	-	2,753,324	-	
Net Revenue expenditure funded from capital under statute.	(77,715)	-	-	-	-	-	-	-	(77,715)	-	
Surplus/(Deficit) on the Provision of Services.	-	-	-	-	-	-	-	-	-	(2,347,499)	
Transfers between Statutory and Other Reserves and General Fund.	-	-	-	-	-	-	-	-	-	-	
Retirement Benefits Adjustment.	-	-	-	-	(689,449)	-	-	-	(689,449)	-	
Disposal of Fixed Assets/Capital Sales.	(116,209)	-	-	-	-	-	-	-	(116,209)	-	
Capital Receipts used to finance capital expenditure.	109,140	-	-	-	-	-	-	-	109,140	-	
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements.	-	-	-	-	-	-	(30,956)	-	(30,956)	-	
Revaluations & Impairments.	-	-	(2,466,504)	-	(1,026,551)	-	-	-	(3,493,055)	(3,493,055)	
Other Movements.	164,375	-	(164,375)	-	-	-	-	-	-	2	
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure.	-	-	-	-	-	-	-	-	-	-	
Total movements on reserves during the year (Change in Net Worth)	(1,756,048)	-	(2,630,879)	-	(1,716,000)	-	(30,956)	-	(6,133,883)	(5,840,552)	
At 31 March 2013	23,600,638	-	7,824,882	-	(14,227,000)	-	(150,951)	-	17,047,569	21,142,862	

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.

26b Capital Grants Unapplied account

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

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

26c Capital Fund

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

26d Renewal and Repairs Fund

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

26e Other Balances & Reserves

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

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.

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.

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.

26j Available-for-Sale Financial Instruments Adjustment Reserve

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

26k Pension Reserve

Refer to note 20.

26l Deferred Capital Receipts Account

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

26m Accumulated Absences Account

The Council is required to recognise as an expense employees unused holiday pay which is carried forward into the next financial year.

The accrued element of these absences are held within the accumulated absences reserve.

	31 March 2014	31 March 2013
	£	£
Accumulated Absences Reserve	164,822	150,951

26n Rates Claw back Reserve

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

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 £31,069 (2012/13 £350) 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 £1,680 (2012/13 £979) for services provided by a member of the close family of a Council Member. During the year the Council received £NIL (2012/13 £NIL) for Council services from 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 (2011/12 £NIL) for services provided by a member of the close family of a chief officer

Two (Two in 2012/13) chief officers participate in the Council's contributory car leasing scheme. The net payment made by the Council in respect of these officers during the year was £6,550 (2012/13 £6,408).

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.

Related Party Transactions continued

Newtownabbey Borough Council has agreed to act as the 'lead' Council for the Carrickfergus, Antrim and Newtownabbey cluster for the CAN Peace III Joint Committee. To this end the Council has accepted an offer of funding totalling £1,954,868 to be distributed across the cluster area over the period 2007-2011 and a subsequent offer of funding totalling £2,481,769 to be distributed across the cluster area over the period 2011-2013. This funding is administered through the Council's Finance Department in accordance with the standards and procedures set out by Newtownabbey Borough Council and the Special European Union Programmes Body (SEUPB) which is the managing authority for the programme. During the year the Council administered payments and grant income of £954,827 (2012/13 £863,232) which were fully funded by SEUPB and have not been reflected in these financial statements. A net amount of £387,996 (2012/13 £339,977) was owed to the Council at 31 March 2014.

The Council is a member of the GROW South Antrim Joint Committee. GROW South Antrim Joint Committee is the delivery mechanism for the Northern Ireland Rural Development Programme (NIRDP) 2007-2013. It comprises the Council Areas of Antrim, Carrickfergus and Newtownabbey. The Northern Ireland Rural Development Programme is funded by the European Agricultural Fund for Rural Development and the Department of Agriculture and Rural Development (DARD). Antrim Borough Council acts as the Administrative Council with responsibility for all financial and administrative matters. The Council received grant income of £190,616 during the year from GROW (2012/13 £39,350) of which £38,885 was owed to the Council at 31 March 2014 (2012/13 £13,166).

Newtownabbey Borough Council has agreed to act as the Lead Council for the Statutory Transition Committee. To this end Newtownabbey Borough Council has accepted an offer of funding from Department of Environment totalling £80,455 to fund expenditure relating to Change Manager (staff costs) and Staff Capacity Building. During the year Newtownabbey Borough Council administered payments of £136,055, grant income of £81,619 from DOE and other income of £54,436. A net amount of £58,664 was owed by Statutory Transition Committee to the Lead Council as at 31 March 2014. During the financial year 2013/14 Antrim Borough Council and Newtownabbey Borough Council, under The Local Government (Statutory Transition Committees) Regulations (Northern Ireland) 2013, provided the Statutory Transition Committee with accommodation, administrative staff and support, facilities and financial management necessary to carry out their duties in an effective manner, at no cost to the Committee.

Amounts of £99,210 (2012/13 £98,339) and £68,132 (2012/13 £61,040) were paid to Ballymena Borough Council during the year as the employing Council for the provision of environmental health and building control services respectively, to a group of local authorities. £17,000 (2012/13 £17,018) was paid as a partnership contribution towards the running costs of the Mid-Antrim Museums Service.

The Council nominated two councillors to the ARC 21 Waste Management Plan Joint Committee. The Council contributed £730,360 (2012/13 £2,378,215) towards procurement of goods and services and administration costs during the year of which £28,132 (2012/13 (£27,470) was owed by the Council) was due to the Council at 31 March 2014. At 31 March 2014 the Council was owed £NIL in respect of the landfill contract (2012/13 £61,294). The Council received £23,980 (2012/13 £22,618) in respect of an income share arrangement with a further £6,791 (2012/13 £5,781) outstanding at 31 March 2014.

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

District Rates	(Note 9(d))
Members' Allowances	(Note 6(d))

30 Preparations for the Euro

The Council continued to monitor the situation through literature issued by relevant bodies including a model changeover plan developed by the Northern Ireland Local Government Euro Preparations Working Group.

There is no clear indication yet as to the United Kingdom's position on joining the single currency in the near future, and the Council is not planning to make specific budgetary provision for euro preparations. Any work in 2013/14 was met by existing revenue budgets and there are no commitments to incur costs in the future.

31 Bequest Accounts/ Mayor's Charitable Fund

The Council is responsible for the administration of two 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 balances as at:

	31 March 2014 £	31 March 2013 £
Bequest Account No 1	245	245
Bequest Account No 2	1,909	1,836
	2,154	2,081

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. An amount of £13,200 was paid to three charities during 2013/14.

Mayor's Charitable Fund as at:

	31 March 2014 £	31 March 2013 £
Mayor's Charitable Fund	9,732	7,580
	9,732	7,580

32 Prior Year Re-statement

Prior period adjustments have been made to the Council's 2012/13 published financial statements in relation to the following:

Retirement Benefits

IAS19 Change to Accounting Standards

There have been several significant changes in relation to the international accounting standard IAS19 Employee Benefits. This has resulted in changes to accounting treatment for financial years starting on or after 1 January 2013. There is no impact on the Balance Sheet. The main changes to the financial statements are as follows.

Expected Return on Assets

This is in relation to the return on Pension Scheme assets such as those held by the Northern Ireland Local Government Officers' Pension Fund. Advance credit for anticipated outperformance of return seeking assets (such as equities) is no longer permitted by IAS19. This has been replaced with an equivalent figure calculated using a discount rate (as opposed to using a figure calculated using expected return on assets assumptions).

Disclosure Presentation

In order to be consistent with the new requirements of IAS19 the disclosures in relation to the Council's defined benefit pension scheme have changed from those published in 2012/13. By making these changes to the accounting standard, it is intended that the presentation of the information is easier for the user to understand (see note 20).

Note 20 provides disclosure around the amendment to other comprehensive income as a result of the change to the accounting standard.

Surplus/Deficit on Non-Current Assets

Disclosure Presentation

Presentation of proceeds for sale of non-current assets for those less than £5k which remain in the Comprehensive Income and Expenditure Statement have been removed from Other Operating Expenditure (note 7) and removed from Adjustments between accounting basis and funding basis under regulation (note 3).

Comprehensive Income and Expenditure Statement

	2012/13			RESTATED 2012/13
	Net Expenditure	IAS 19 Pensions Restatement	Surplus/ Deficit on Non-Current Assets	Net Expenditure
	£	£	£	£
Services Expenditure				
Leisure and Recreational Services	13,050,356	26,500	-	13,076,856
Environmental Services	10,178,573	18,565	-	10,197,138
DRM and Corporate Management	1,733,114	1,489	-	1,734,603
Other Services	666,016	1,446	-	667,462
Cost of Services on Continuing Operations	25,628,059	48,000	-	25,676,059
Other Operating Expenditure	(8,684)	-	16,943	8,259
Financing and Investment Income and Expenditure	2,758,559	328,000		3,086,559
Taxation and Non-Specific Grant Income	(26,423,378)	-		(26,423,378)
Surplus or (Deficit) on Provision of Services	(1,954,556)	(376,000)	(16,943)	(2,347,499)
Surplus/(Deficit) on revaluation of non-current assets	(2,466,504)	-	-	(2,466,504)
Actuarial (Gains)/losses on pension scheme assets/ liabilities	(1,402,551)	376,000	-	(1,026,551)
Any other gains and loss - capital fund	2	-	-	2
Other Comprehensive Income and Expenditure	(3,869,053)	376,000	-	(3,493,053)
Total Comprehensive Income and Expenditure	(5,823,609)	-	(16,943)	(5,840,552)

Movement in Reserves Statement

	General Fund Summary	Statutory Reserves	Other Fund Balances & Reserves	Capital Receipts Reserve	Total Usable Reserves
	£	£	£	£	£
Balance at 31 March 2013	3,840,758	1,566	251,525	1,444	4,095,293
Surplus or (Deficit) on provision of services:					
IAS19 Pensions Restatement	376,000	-	-	-	376,000
Surplus/Deficit on Non-Current Assets	16,943	-	-	-	16,943
Adjustments between accounting basis & funding basis under regulation:					
IAS19 Pensions Restatement	(376,000)	-	-	-	(376,000)
Surplus/Deficit on Non-Current Assets	(16,943)	-	-	-	(16,943)
Restated Balance at 31 March 2013 carried forward	3,840,758	1,566	251,525	1,444	4,095,293

Cash Flow Statement

	2012/13	IAS 19 Pensions Restatement	Surplus/Deficit on Non-Current Assets	Restated 2012/13
	£	£	£	£
Net surplus or (deficit) on the provision of services	(1,954,556)	(376,000)	(16,943)	(2,347,499)
Adjustment to surplus or deficit on the provision of services for noncash movements	3,858,814	376,000	16,943	4,251,757
Net Cash flows from operating activities	1,641,016	-	-	1,641,016
Net increase or (decrease) in cash and cash equivalents	(1,818,267)	-	-	(1,818,267)
Cash and cash equivalents at the beginning of the reporting period	2,623,123	-	-	2,623,123
Cash and cash equivalents at the end of the reporting period	804,856	-	-	804,856

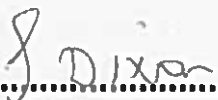
These prior period adjustments had no impact on the Balance Sheet.

ACCOUNTS AUTHORISED FOR ISSUE CERTIFICATE

In accordance with International Accounting Standard (IAS 10) this Statement of Accounts which contains amendments which are not material from the Accounts approved on 23 June 2014 are at today's date hereby authorised for issue.

IAS 10 sets out

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


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Jacqui Dixon
Chief Financial Officer


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Date