

STATEMENT OF ACCOUNTS

Antrim and Newtownabbey District Council

For the period ended 31st March 2015

**Comprising Council Areas:
Antrim Borough Council
Newtownabbey Borough Council**



Antrim and Newtownabbey District Council – Statement of Accounts for the period ended 31st March 2015

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Explanatory Foreword

Introduction

From 1 April 2015, under the Reform of Local Government (RLG), the number of Councils in Northern Ireland reduced 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 came into existence on 26th May 2014, operating in shadow form until they took over full responsibility for local government on 1st April 2015 when the 26 existing councils cease to exist.

The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014, during the transitional period the new Council shall:

- Prepare for the discharge of its functions after the 31st March 2015, and shall, in particular, establish such committees and sub-committees, appoint such staff, and prepare such budgets, plans, schemes and other things as are, or will be, required for that purpose; and
- Liaise with any existing council for the purposes of ensuring continuity in the exercise of its functions on and after the 1st April 2015.

Financial Report

The new Councils operated in shadow form, and therefore had limited activity, until they take over full responsibility for local government on 1st April 2015. As such they were not required to observe all the relevant accounting and disclosure requirements given in the Code of Practice during the period ended 31st March 2015.

The Financial Statements for the period ended 31 March 2015 have been prepared in line with The Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 (the Code) and the Department of the Environment (DOE) Accounts Direction, Circular LG 13/15. It is the purpose of this foreword to explain, in an easily understandable way, the financial facts in relation to the new Council for this period. However, the financial statements follow approved accounting standards and are necessarily technical in parts.

The Financial Statements explain the new Council's finances during the financial period ended 31 March 2015 and its financial position at the end of that period.

The following statements provide further information:

- The Movement in Reserves Statement, as set out on page 14 shows the movement in the year on the reserves held by the new Council. The surplus or (deficit) on the provision of services line shows the true economic cost of providing the new Council services.
- The Comprehensive Income and Expenditure Statement, as set out on page 15, shows the income earned and the expenditure incurred during the period by the new Council in accordance with generally accepted accounting practices. This includes details of funding received from Government bodies and predecessor Councils, together with details of administrative expenditure incurred by the new Council.

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- The Balance Sheet, as set out on page 16, shows the value as at the Balance Sheet date of the new Council's assets and liabilities. The net assets of the new Council's (assets less liabilities) are matched by the reserves held by the new Council.
- The Cash Flow Statement, as set out on page 17, shows the changes in cash and cash equivalents of the new Council during the reporting period. The statement shows how the new Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

For the period ended 31 March 2015 the new Council accounted for grant income of £532,695, predecessor Council contributions of £789,292 and incurred total costs of £1,195,196. The financial activities of the new Council are wholly funded by Government Bodies and the predecessor Councils, and as such did not show a deficit for the period.

Post Balance Sheet Events

From 1st April 2015, Antrim Borough Council and Newtownabbey Borough Council ceased to exist and its functions and balances were transferred to the new council, Antrim and Newtownabbey District Council into one new body constituted under the framework established by the Local Government Act (Northern Ireland) 2014.

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.

Legislative Context for Preparation and Audit of the Financial Statements

The Local Government (Northern Ireland) Order 2005, Article 3, provides that, the accounts of every local authority government body shall be:

- a) made up to the end of each financial year; and
- b) audited in accordance with Part 2 by a local government auditor designated by the Department, after consultation with the Comptroller and Auditor General for Northern Ireland.

Article 24 of the Local Government (Northern Ireland) Order 2005 provides that the Department may issue regulations as to accounts and audit. In this regard the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 were made on 7 March 2006.

The Accounts Direction, issued by the Department of the Environment under Regulation 4 of the Local Government (Accounts and Audit) Regulations 2006 requires the new Council to prepare accounts. These Financial Statements cover the period from 26 May 2014 to 31 March 2015 and have been prepared in compliance with the Direction.

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

The New Council's Responsibilities

Under Section 1 of the Local Government Finance Act (Northern Ireland) 2011 a Council shall make arrangements for the proper administration of its financial affairs. A council shall designate an officer of the council as its Chief Financial Officer (CFO). Arrangements made by a council 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 Antrim and Newtownabbey District Council is required by resolution to approve these accounts. Antrim and Newtownabbey District Council delegated authority to the Audit Committee to approve the financial statements.

These accounts were approved by the Chief Financial Officer of Antrim and Newtownabbey Borough Council on 29 June 2015.

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 new 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 for the financial period and the financial position as at the end of the financial period.

In preparing this Statement of Accounts, the Chief Financial Officer is required to:-

- observe the Accounts Direction issued by the Department of the Environment;
- follow relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis; and
- make judgements and estimates that are reasonable and prudent.

The Chief Financial Officer is also required to:-

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

Schedule 1 of the Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 disapplies provisions of existing local government legislation in respect of the new councils during the transitional period. For example, the Chief Financial Officer is not required to report on the adequacy of reserves. With the exception of the disapplied provisions, Chief Financial Officers should ensure the new council is compliant with the Local Government Finance Act (NI) 2011 and the Prudential Code for Capital Finance in Local Councils ("the Prudential Code"), and ensure that this is reflected where appropriate in the financial statements.

CIPFA recently issued *Guidance on Prudential Indicators and the impact of Local Government Reform* to provide councils with guidance on the issues that surround setting and reviewing the prudential indicators for the newly formed council. Chief Financial Officers should ensure they are compliant on matters such as the quality of the report on the robustness of estimates, the annual investment strategy approved by Council and reporting on the indicators contained in the Prudential Code.

Antrim and Newtownabbey District Council – Statement of Accounts for the period ended 31st March 2015

Governance Statement

Introduction

The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2015 provides that, during the transitional period, a new council should:

(i) prepare for the discharge of its functions after 31st March 2015 and, in particular, establish such committees and sub-committees, appoint such staff, and prepare such budgets, plans, schemes and other things as are, or will be, required for that purpose; and

(ii) liaise with any existing council for the purposes of ensuring continuity in the exercise of its functions on and after the 1st April 2015.

The new 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 new Council also has a duty under Local Government (Best Value) Act (NI) 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 new Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The new Council is required to prepare a Governance Statement covering the period of the accounts, which is consistent with the principles of the CIPFA/SOLACE Framework: *Delivering Good Governance in Local Government*. This statement explains how the new Council meets the requirements of Regulation 2A of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 in relation to the publication of a statement on internal control.

The Governance Framework

The governance framework has been in place for the new Council for the financial period ended 31st March 2015 and up to the date of approval of the Financial Statements.

The governance framework comprises the systems and processes, and culture and values, by which the new Council is directed and controlled and the activities through which the new Council accounts to and engages with the community. It enables the New 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 on-going process designed to identify and prioritise the risks to the achievement of the new 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.

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The Chief Executive for the new Council has responsibility for maintaining a system of sound internal controls and risk management processes to support the new Council in the achievement of its objectives, and for reviewing their effectiveness. The systems of controls are based on a continual process designed to identify the principal risks to the achievement of the project objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

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

Good Governance Guidance states that 'Local Government bodies need to develop and articulate a clear vision of their purpose and intended outcomes for citizens and service users that is clearly communicated, both within the organisations and to external stakeholders'. To facilitate this the new Council, in conjunction with its predecessor Councils, has developed a Corporate Plan which is currently available to the public (and all interested parties) on request and via the Council's website.

Arrangements for reviewing the new Council's vision and its implications for the new Council's governance arrangements

Progress made against the New Council Corporate Plan for the transitional period has been reviewed on a regular basis and formally reported by way of periodic progress reports, interim reports and final reports to the new Council.

Arrangements for 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 Northern Ireland Local Government Code of Conduct for councillors came into force on 28th May 2014. All elected members within the New Council have signed up to the Code of Conduct. A Code of Governance was developed for the New Council for the period ended 31st March 2015, based on the six principles set out in the CIPFA/SOLACE 'Delivering Good Governance in Local Government: a Framework'.

Terms of Reference have been documented for the Audit Committee detailing their scrutiny function. Job descriptions and job specifications have been developed for all Senior Manager roles, which clearly define and document the roles and responsibilities of officers. Appropriate meetings take place for effective communication.

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

All employees have a Contract of Employment and all Contracts include a Code of Conduct, which must be followed.

The new Council has a wide range of policies and procedures, which are subject to on-going review and include the standards of behaviour expected from all members and employees. All policies and procedures are communicated to employees through induction and other on-going training initiatives.

The behaviour, standards and ethics expected of members are outlined in the Code of Conduct for Councillors issued by the Department of the Environment.

The new Council is fully compliant with all these policies and procedures.

Arrangements for 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

The new Chief Executive, in conjunction with its predecessor Councils, has developed standing orders, standing financial instructions, a scheme of delegation etc. for the new Council operating in shadow form.

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

The new Council has in place an Audit Committee whose overall purpose and objective is to assist council in fulfilling its oversight responsibilities. The Audit Committee, which meets at least four times each year, has responsibility for reviewing:

- The system of internal control and management of risks;
- The financial reporting process;
- The internal and external audit process;
- Council's processes for monitoring compliance with laws and regulations; and
- Council's processes for monitoring compliance with its own Standing Orders, policies and procedures.

Arrangements for ensuring compliance with relevant laws and regulations, internal policies and procedures, and ensuring that expenditure is lawful

The new Council regularly reviews progress made and issues arising by way of periodic progress reports, interim reports and final reports regarding compliance with relevant laws and regulations, internal policies and procedures and ensuring lawful expenditure.

While the new Council utilised the financial expertise, systems and controls of the administrative council, the new Council retains responsibility for ensuring that these are appropriate.

To facilitate risk management, the new Council has developed Corporate Risk Registers (together with Departmental Risk Registers), which are subject to formal review and update at least twice yearly.

The new Council has access to specialist legal advisors to provide expertise, advice and guidance as required.

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

The new Council has a fraud and corruption policy which reflects the Bribery Act and sets out whistle-blowing arrangements.

The handling of complaints is set out in the Council's Complaints Procedure, a copy of which is published on the Council's website.

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

The new Council relied on the procedures adopted by the Administrative Council to identify the development needs of members and senior officers during the transitional period.

Review of Effectiveness

Overall control of the governance framework and the system of internal control is the responsibility of the new Council. Regular meetings, policy documents and periodic progress reports enabled the new Council to examine and evaluate the progress made and address issues affecting the implementation of the new Council Corporate Plan.

The new Council has responsibility for conducting a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness was informed by the work of the new Council's Officers, who have responsibility for supporting the Committee in the development and maintenance of the governance environment and also by recommendations made by Internal Audit.

The Chief Executive of the new Council is the Chief Financial Officer, and leads the Council's Senior Management Team to collectively have involvement in and oversight of the processes involved in maintaining and reviewing the effectiveness of the governance framework.

The Chief Executive of the new Council has been advised on the implications of the result of the review of 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.

The Chief Executive for the new Council has responsibility for the preparation of this Annual Governance Statement. In preparing this statement, consideration has been given to the governance framework, the system of internal controls in place, and Best Practice guidance.

The Chief Executive of the new Council also undertook a review of the effectiveness of Internal Audit during the period in line with the requirements of the Public Sector Internal Audit Standards. This review proved satisfactory.

Significant Governance Issues

There were no significant governance issues noted.

Local Government Reform

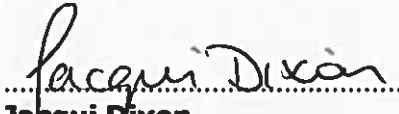
The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 vested functions and powers in the new Councils during the transitional period to enable them to prepare for the assumption of their full functions and to ensure continuity in performance after the 1st April 2015.

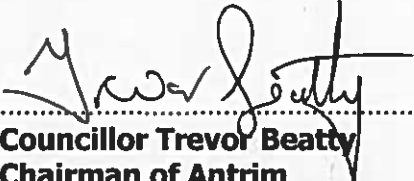
From 1 April 2015, under the Reform of Local Government (RLG), the number of Councils in Northern Ireland will reduce from the 26 existing to 11 new Councils, established under the Local Government Act (Northern Ireland) 1972 as amended by the Local Government (Boundaries) Act (Northern Ireland) 2008. 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.

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The Local Government Act (Northern Ireland) 2014 introduced the legislative framework 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.

Signature


.....
Jacqui Dixon
Chief Financial Officer


.....
Councillor Trevor Beatty
Chairman of Antrim
& Newtownabbey Borough Council
Audit Committee

Date

26/10/15

Date

26/10/15

Antrim and Newtownabbey District Council – Statement of Accounts for the period ended 31st March 2015

Certificate of the Chief Financial Officer

I certify that:-

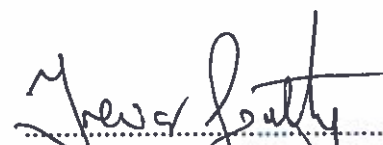
- a) The Statement of Accounts for the financial period ended 31st March 2015 on pages 14 to 25 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on page 18.
- b) In my opinion the Statement of Accounts give a true and fair view of the income and expenditure and cash flows for the financial period and the financial position as at the end of the financial period.

Signature 
Jacqui Dixon
Chief Financial Officer

Date 26/10/15

Council approval of Statement of Accounts

These accounts were approved by resolution of Antrim and Newtownabbey Borough Council on 29th June 2015 and have been subject to the amendments set out on page 26.

Signature 
Councillor Trevor Beatty
Chairman of Antrim & Newtownabbey Borough Council Audit Committee

Date 26/10/15

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

I have audited the statement of accounts of Antrim and Newtownabbey Borough Council for the period ended 31 March 2015 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 statements of account have been prepared under the accounting policies set out within them.

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

Respective responsibilities of the Chief Financial Officer and the independent auditor

As explained more fully in the Statement of Antrim and Newtownabbey Borough Council's and Chief Financial Officer's Responsibilities, the Chief Financial Officer is responsible for the preparation of the statement of accounts and for being satisfied that they give a true and fair view of the income and expenditure and cash flows for the financial period and the financial position as at the end of the financial period. My responsibility is to audit the statement of accounts in accordance with the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice. 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 Antrim and Newtownabbey Borough Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Antrim and 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, of the financial position of Antrim and Newtownabbey Borough Council as at 31 March 2015 and its income and expenditure for the period 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 period ended 31 March 2015 is consistent with the financial statements.

Ch.

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 Governance Statement:
 - 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 Antrim and Newtownabbey Borough Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.



Louise Mason

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

28 October 2015

Antrim and Newtownabbey District Council – Statement of Accounts for the period ended 31st March 2015

Movement in Reserves Statement

	Notes	Total Usable Reserves	Total Unusable Reserves	Total Reserves
		£	£	£
At 26th May 2014		-	-	-
Movement in reserves during the year				
Surplus or (deficit) on provision of services		128,257	-	128,257
Other Comprehensive Income and Expenditure		-	-	-
Total Comprehensive Income and Expenditure		128,257	-	128,257
Adjustment between Accounting and Funding basis	13	(128,257)	128,257	-
At 31st March 2015		-	128,257	128,257

Antrim and Newtownabbey District Council – Statement of Accounts for the period ended 31st March 2015

Comprehensive Income and Expenditure Statement

	Notes	26/05/14 to 31/03/15 £
Income		
Income from Predecessor Councils	4	789,292
Government Grant	5	532,695
Other Income		1,466
Total Income		<u>1,323,453</u>
Expenditure		
Member Costs	6	487,402
Staff Costs	7	404,417
Other Expenditure		303,377
Total Expenditure		<u>1,195,196</u>
Surplus / (Deficit) on the provision of Services		<u>128,257</u>
Other Comprehensive Income and Expenditure		-
Total Comprehensive Income and Expenditure		<u>128,257</u>

Antrim and Newtownabbey District Council – Statement of Accounts for the period ended 31st March 2015

Balance Sheet

	Notes	31 March 2015
		£
Long Term Assets	9	133,556
Short Term Debtors	10	626,951
Cash and Cash Equivalents	11	-
Current Assets		<hr/> 626,951
Bank Overdraft	11	528,953
Short Term Creditors	12	103,297
Current Liabilities		<hr/> 632,250
Net Assets		<hr/> <hr/> 128,257
Usable Reserves		-
Unusable Reserves	13	128,257
Net Worth		<hr/> <hr/> 128,257

Antrim and Newtownabbey District Council – Statement of Accounts for the period ended 31st March 2015

Cash Flow Statement

	Notes	2014/15
		£
Net surplus or (deficit) on the provision of services		128,257
Adjustments to surplus or deficit on the provision of services for noncash movements	15	(523,654)
Net Cash Flows from Operating Activities		<u>(395,397)</u>
Net Cash Flows from Investing Activities	15	(133,556)
Net Cash Flows from Financing Activities		-
Net increase / (decrease) in cash and cash equivalents		<u>(528,953)</u>
Cash and Cash Equivalents at the beginning of the reporting period		-
Cash and Cash Equivalents at the end of the reporting period	11	<u><u>(528,953)</u></u>

1 Accounting Policies

General Principles

The Financial Statements summarise the new Council's transactions for the 2014/15 financial period and its position as at 31st March 2015. The new Council is required to prepare Financial Statements in a form directed by the Department of the Environment in accordance with regulation 4(1), and in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 and the Service Reporting Code of Practice 2014/15, supported by International Financial Reporting Standards (IFRS). As the new Council has had limited activity during the transitional period, it was not required to observe all relevant accounting and disclosure requirements given in the Code of Practice during this period.

Accruals of Income and Expenditure

The Financial Statements have been prepared on an accruals basis. The accruals basis of accounting requires the non-cash effect of transactions to be reflected in the Financial Statements for the year in which those effects are experienced and not in the year in which the cash is actually received or paid. This ensures that provision has been made for known outstanding debtors and creditors at the period end, estimated amounts being used where actual figures are not available.

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 new council when there is reasonable assurance that:

- the new 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.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors.

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 new 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.

Antrim and Newtownabbey District Council – Statement of Accounts for the period ended 31st March 2015

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.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives.

Depreciation is calculated on the following bases:

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

Reserves

The new 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.

Value Added Tax

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

Antrim and Newtownabbey District Council – Statement of Accounts for the period ended 31st March 2015

2 The Segmental Report

	DOE Funding	Predecessor Council Funding	Other Income	2014/15 Total
	£	£	£	£
Income from Predecessor Councils	-	789,292	-	789,292
Government Grants	532,695	-	-	532,695
Other Income	-	-	1,466	1,466
Total Income	532,695	789,292	1,466	1,323,453
Member Costs	399,081	88,321	-	487,402
Staff Costs	35,465	368,952	-	404,417
Capacity Building	98,149	1,548	-	99,697
ICT Convergence	-	145,693	-	145,693
Audit Fee	-	6,000	-	6,000
Other Expenses	-	43,351	1,466	44,817
Staff Travel	-	3,468	-	3,468
Furniture and IT Equipment	-	3,702	-	3,702
Total Expenditure	532,695	661,035	1,466	1,195,196
Surplus on the Provision Of Services	-	128,257	-	128,257

3 Adjustments between accounting basis and funding basis under regulations

**2014/15
£**

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:

Net Revenue funded from capital under Direction	13	(133,556)
Adjustments in relation to Short-term compensated absences	12	5,299
		<u>128,257</u>

4 Income from Predecessor Councils

**2014/15
£**

Antrim Borough Council	307,824
Newtownabbey Borough Council	481,468
	<u>789,292</u>

Antrim and Newtownabbey District Council – Statement of Accounts for the period ended 31st March 2015

5 Government Grants	2014/15
	£
Member Costs	399,081
Change Manager Funding	35,465
Staff Capacity Building	98,149
	<u>532,695</u>
6 Member Costs	2014/15
	£
Member Costs	329,998
Councillor's Allowances	19,600
Special Responsibility Allowances	38,400
Employer Costs	89,550
Mileage	9,411
Travel and Subsistence Costs	113
Miscellaneous Costs	330
	<u>487,402</u>
7 Staff Costs	2014/15
	£
Salaries	266,682
National Insurance	26,655
Pension Costs	52,883
Agency Staff Costs	58,197
	<u>404,417</u>
	2014/15
	FTE
Total Staff Numbers	3.84
	Actual
	Numbers
Full-time numbers employed	4
Part-time numbers employed	1
Agency Staff numbers	1
	<u>6</u>
Senior Employee's Remuneration	2014/15
	£
£50,001 to £60,000	-
£60,001 to £70,000	-
£70,001 to £80,000	1
£80,001 to £90,000	-
£90,001 to £100,000	-
	<u>1</u>

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8 External Audit Fees	2014/15
	£
External Audit Fees	6,000
Other Fees	-
	<u>6,000</u>

9 Long Term Assets

	PPE 2014/15	
	£	£
Opening Cost at 26 th May 2014	-	-
Additions	133,556	133,556
Closing Cost at 31st March 2015	<u>133,556</u>	<u>133,556</u>
Opening Accumulated Depreciation at 26 th May 2014	-	-
Charge for the year	-	-
Closing Accumulated Depreciation at 31st March 2015	<u>-</u>	<u>-</u>
Closing Net Book Value as 31st March 2015	<u>133,556</u>	<u>133,556</u>

During the year, the council purchased furniture and ICT equipment for use by officers transferring from Central Government Departments.

10 Short Term Debtors

31 March 2015
£

Government Departments	241,271
Predecessor Councils	384,357
Other Debtors	1,323
	<u>626,951</u>

11 Cash and Cash Equivalents

2014/15

The balance of Cash and Cash Equivalents is made up of the following elements:

	£
Cash and Bank Balance	-
Bank Overdraft	(528,953)
Cash and Cash Equivalents	<u>(528,953)</u>

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	31 March 2015
12 Short Term Creditors	£
Predecessor Councils	-
Accruals	97,322
Accumulated Absences	5,299
VAT	676
Other	-
	103,297

13 Reserves

	Usable Reserves	Unusable Reserves	Unusable Reserves	
	General Fund	Capital Adjustment Account	Accumulated Absences Reserve	Total
Opening reserve balances at 26th May 2014	-	-	-	-
Surplus on the provision of services	128,257	-	-	128,257
Direct Revenue Funding	(133,556)	133,556	-	-
Accumulated Absences	5,299	-	(5,299)	-
Adjustment between Accounting and Funding Basis	(128,257)	133,556	(5,299)	-
Closing reserve balances at 31st March 2015	-	133,556	(5,299)	128,257

14 Reserves

Usable Reserves

General Fund

This reserve shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

Unusable Reserves

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.

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.

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

	31 March 2015
	£
Accumulated Absences Reserve	5,299

15 Cash Flow

Analysis of Adjustments to Surplus on the Provision of Services

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

	2014/15
	£
Depreciation	-
(Increase)/Decrease in Stock	-
(Increase)/Decrease in Debtors	(626,951)
Increase/(Decrease) in Creditors	103,297
	(523,654)

Cash flows from Investing Activities

	2014/15
	£
Purchase of PP&E, investment property and intangible assets	(133,556)
	(133,556)

16 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 new 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 new Council and Trade Unions in the course of their normal dealings with the new Council.

In addition where the relationship with the new Council and the entity is solely that of an Agency, 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 and the amount of the transaction is as follows:

Members of the new council

During the year there were no transactions with a company, partnership, trust or entity which

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generated a related party transaction in which a member of the new council had a controlling interest.

During the year the new council paid £NIL for services provided by a member of the close family of a member of the joint committee.

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

Other material related party transactions

Antrim and Newtownabbey District Council was elected on 22 May 2014. The new council operating in shadow form was tasked with making essential preparations for a successful merger of the two existing councils, Antrim Borough Council and Newtownabbey Borough Council and the assumption of additional powers devolved from Central Government on 1 April 2015. During the accounting period Newtownabbey Borough Council administered payments of £480,375, grant income of £532,695 and other income of £1,466, Antrim Borough Council administered payments of £177,859 on behalf of the shadow council.

Antrim Borough Council and Newtownabbey Borough Council, under The Local Government (Transitional, Supplementary and Incidental Provisions and Modification) Regulations (Northern Ireland) 2014, provided the new council with accommodation, administrative staff and support, facilities and financial management necessary to carry out its duties in an effective manner, at no cost to the new council.

The Department of the Environment advised in its Circular LG 01/2014 REFORM that the net cost incurred by the shadow council during 2014/15 should be defrayed amongst the existing councils in proportion to the total population of the new district. Newtownabbey Borough Council met 61% of the net cost which amounted to £481,468 and Antrim Borough Council 39% which amounted to £307,824.

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Accounts Authorised for Issue

In accordance with International Accounting Standard (IAS 10) this Statement of Accounts which contains a material amendment from the Accounts approved on 29 June 2015 is at today's date hereby authorised for issue. The material amendment will be explained and reported in accordance with Regulation 12 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006.

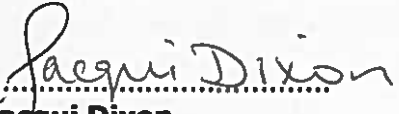
IAS 10 sets out

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

The material amendment is as follows:

Net expenditure of £225,247 relating to the Local Government Elections held on the 22 May 2014 has been adjusted and accounted for in the Statutory Transition Committee Accounts for the period ended 19 June 2014.

This resulted in a decrease in expenditure of £225,247 and a corresponding decrease in income. The net effect of these adjustments resulted in no change in the result for the period.

Signature..... 
Jacqui Dixon
Chief Financial Officer

Date 26/10/15

