



Antrim and  
Newtownabbey  
BOROUGH COUNCIL

# Financial Statements

For the year ended  
March 2017



**Contents**

Narrative Report	2
Statement of the Council's and Chief Financial Officer's Responsibilities for the Statement of Accounts	4
Annual Governance Statement	5
Remuneration report	20
Certificate of the Chief Financial Officer	26
Council Approval of Statement of Accounts	27
Independent Auditor's Report to the Members of Antrim and Newtownabbey Borough Council	28
Movement in Reserves Statement	30
Comprehensive Income and Expenditure Statement	31
Balance Sheet	32
Cash Flow Statement	33
Notes to the Financial Statements	34

## **Narrative Report**

### **Introduction**

The Council's financial performance for the year ended 31 March 2017 is as set out in the Comprehensive Income and Expenditure Statement, the financial position as at the 31 March 2017 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 2016/17 (the Code) and the Department for Communities Accounts Direction, Circular LG10/2017 dated 13 March 2017. It is the purpose of this report to explain, in an easily understandable way the financial facts in relation to the Council.

This Statement of Accounts follows approved accounting standards and is necessarily technical in parts. The 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. Antrim and 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 2017, the Council recorded a deficit on the provision of services of £483k on an accounting basis. After adjustments to restate the figures produced on an accounting basis to a funding basis under regulations of £760k (Note 3a) and net transfers to other reserves of £24k the Council decreased its General Fund reserve by £1.22m to £6.67m against a budgeted decrease of £757k.

This greater than anticipated decrease in the General Fund is a consequence of notification from Land and Property Services (LPS) in September 2017 that a ratepayer in the Borough has successfully appealed the rates valuation for their property for the period 2010/11 to 2014/15; this is completely outside the control of the Council. This appeal decision will result in a clawback in rates income by LPS, estimated at £959k. This has been included as a provision in these financial statements.

The estimated District Rates Finalisation for the year indicates additional rates income due to the Council of £155k which has been included in this year's results. Income from the De-Rating Grant was £187k higher than the estimate due to an increase in the value of de-rated properties in the Borough.

During the year the Council obtained a Capitalisation Direction of £2.7m from the Department for Communities to capitalise the Council's contribution towards the costs of staff severance accounted for during the year. The cost of severance is then spread over a four year period.

Expenditure on capital projects amounted to £3.8m. The most significant schemes during the year included:

- Allen Park Development £1.7m
- Valley Park Redevelopment (Shared Space) £237k
- Valley Leisure Centre & Antrim Forum Hockey Pitches £376k

- Replacement Vehicles £292k

Borrowings of £2.5m were taken up during the year with loan repayments of £6.3m made. Consequently borrowings decreased by £3.8m to £53.7m as at 31 March 2017.

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

This Statement, as set out on page 30, 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 31, shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

### **The Balance Sheet**

The Balance Sheet, as set out on page 32, 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 33, 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 7 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 the Council, or a Committee, is required by resolution to approve the accounts.

These accounts were approved by Antrim and Newtownabbey Borough Council Audit Committee on 19 September 2017.

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

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

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

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

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

The Chief Financial Officer is also required to:-

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

## **ANNUAL GOVERNANCE STATEMENT 2016-2017**

### **1.0 INTRODUCTION**

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

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

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

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

### **2.0 SCOPE OF RESPONSIBILITY**

Antrim and Newtownabbey Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, 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 Act (Northern Ireland) 2014, Part 12: Performance Improvement to secure continuous improvement in the exercise of its functions, having regard in particular to strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency, and innovation. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

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

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

The Council's governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services. This governance framework has been in place for the year ended 31 March 2017.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and

objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

#### **4.0 THE GOVERNANCE FRAMEWORK**

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

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

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

Codes of Conduct are in place for, and define the high ethical values and standards of behaviour expected from, Elected Members and Officers to make sure that public business is conducted with fairness and integrity. Both the Code of Conduct for Council Members and the Code of Conduct for Officers are published on the Council's intranet and website. Detailed guidance notes are provided to Members including notes regarding the declaration and registration of pecuniary and non-pecuniary interests. Practical examples are also given of the consequences of non-compliance with the Code. All staff are provided with a short guide to understanding the Code of Conduct and are provided with the opportunity to attend training.

An Anti-fraud and Corruption Policy is in place and has been widely communicated to staff and other stakeholders through team meetings, induction procedures, the intranet and website. This Policy outlines roles and responsibilities across the Council, and identifies the approach to fraud and corruption prevention, identification and investigation, including a procedure for the receipt of suspicions of fraud from members of the public. The Council's stance on fraud or corruption is stated as 'the Council will not tolerate fraud and corruption, whether from internal or external sources, wherever it may occur in any area of Council activity'. In addition to anti-fraud training, the most recent being delivered throughout 2015/16, a Corporate Fraud Risk Register was developed during 2016/17 to capture and assess the fraud risks associated with relevant service areas. This register is kept under review and updated by Heads of Service as deemed necessary.

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

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

The Council has a proactive, holistic approach to ensuring compliance in this area, thereby ensuring the protection of public finances, safeguarding assets, and delivering services effectively and sustainably. The Council's system of internal control is based on a framework of approved standing orders and financial regulations, regular management information,

administrative procedures (including segregation of duties), management supervision and accountability. There are clearly defined guidelines for capital expenditure, procurement, human resources management and contract management.

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

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

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

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

The Council's Communication and Consultation Strategy aims to:

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



- Promote the image of the Council as an effective, efficient and listening organisation focused on the public and their needs.
- Work to increase employee awareness of the priorities of the Council, their role in delivering these and communicate to staff ways in which they can contribute to major changes affecting services they provide.
- Ensure that communications activities reflect the full diversity of the community and help ensure equality of access to all services.

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

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

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

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

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

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

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

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

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

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

Our Values are Excellence, Integrity, Commitment, and Responsibility.

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

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

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

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

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

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

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

During 2016-17 the Council identified eight improvement objectives and these were set out in the **Council's Corporate Improvement Plan 2016-17**. The improvement objectives identified areas of work where the Council aimed to make a significant difference to services and outcomes. The outcomes associated with our delivery of this Plan have been reported to both the Policy and Governance Committee and the Audit Committee over the course of the year, and will be subjected to audit by the Local Government Auditor in October 2017.

For 2017-18 the Council identified seven areas for improvement which are aligned with the Community Plan and the Council's Corporate Plan and set out in the **Draft Corporate Improvement Plan 2017-18**. In March 2017, the Council initiated a twelve-week public consultation to derive feedback. The feedback reinforced the identified improvement objectives and detailed practical and specific examples which will be actioned and incorporated into the implementation plans derived out of the final Corporate Improvement Plan 2017-18 and/or associated documents.

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

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

A holistic approach to planning and performance management was agreed, through the implementation of a performance management cycle. During 2016-17 quarterly progress reports

were made to Committee in relation to the completion of service business plans and corporate improvement objectives.

For the 2017-18 year a new approach to business planning has been agreed with the introduction of an Annual Business Plan. This is an aggregated / consolidated Plan, rather than separate Service Business Plans. The Annual Business Plan contains all of the key areas of work / business and provides a strategic overview of what work is to be undertaken in the forthcoming year. The Plan identifies the lead Head of Service, thus still providing transparency / accountability at a Head of Service level.

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

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

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

- a. Powers reserved for the Council
- b. General Delegated Functions
- c. Human Resources
- d. Procurement
- e. Environmental Health
- f. Building Control

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

Good data quality is required by the Council to plan, make its key decisions, and deploy its resources, for smooth operational performance. Council continues to endeavour to ensure data is accurate, valid, reliable, timely, relevant and complete. The Information Governance Team police the appropriate implementation of the retention and disposal of documents in line with the approved Retention and Disposal Policy. Training has been provided to all Heads of Service as Information Asset Owners highlighting awareness of the importance of data quality and their associated responsibilities.

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

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

- Goals are prioritised and resources are allocated effectively.
- Services and outcomes are delivered for local people.
- Staff are motivated and individuals are aware of their own targets and goals and how these contribute to achieving the Council's vision.
- That significant risks to the achievement of objectives are identified and managed.

- There is early warning of, and rectification of, poor performance.
- That the Council and its partners achieve what it sets out to do.
- There is a strong evidence base for improved decision making and the efficient use of resources.

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

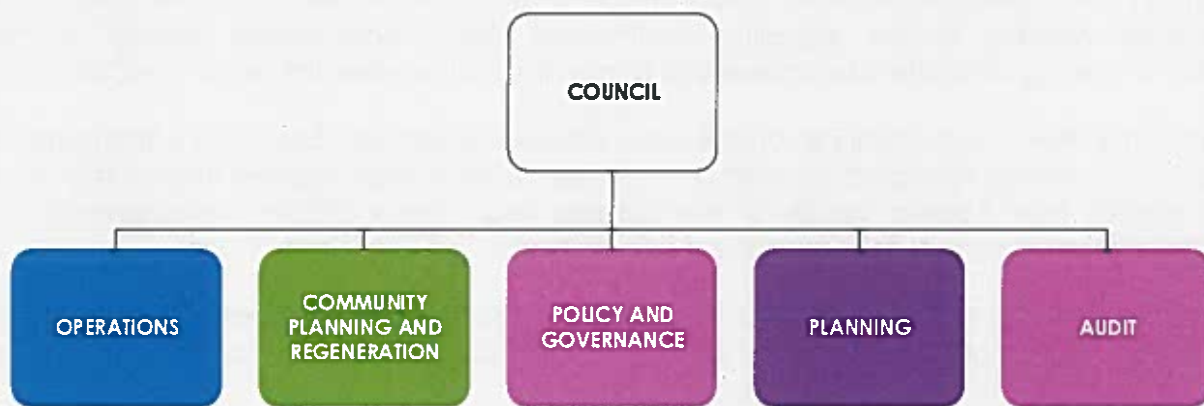
- The Corporate Leadership Team (CLT) meets fortnightly and comprises the Chief Executive and the Directors. Minutes from these meetings are available on the Staff Intranet for officer action and information. Other staff may attend the meetings as appropriate when specific areas of responsibility are being considered and meetings are held at various Council venues with openness, transparency, communication and engagement in mind.
- Monthly meetings with CLT and the Senior Management Team have progressed the change/transformation and performance agenda.
- A Personal Review and Development process is in place across the organisation, which focuses on individual's performance against agreed upon objectives, and identifies and learning and development opportunities.
- Quarterly reports are brought to CLT and Committee in respect of the completion of business plans and corporate improvement projects. This allows both the leadership team and Elected Members to measure performance and review progress towards the achievement of the agreed outcomes.
- A Corporate Workshop involving Elected Members and key staff takes place annually. This is an opportunity for Members to assess progress both in terms of service delivery and financial planning.
- Antrim and Newtownabbey Council have an established culture of learning and development and this supports and drives a culture of both improvement and efficiency.
- Culture change is being driven through an employee engagement programme entitled 'Engage and Deliver'.
- Customer satisfaction with key services has been measured throughout the year e.g. street cleansing, overall customer satisfaction, theatre satisfaction etc. This information is used to improve the delivery of services.
- Financial management information is reported on a monthly basis to Members through the Policy and Governance Committee, the Corporate Leadership Team and all budget holders. A balanced budget was approved at the start of the financial year incorporating capital project forecasting and reserve requirements. The budget explicitly relates to the allocation of financial resources towards the achievement of Council's objectives and prioritises.
- Prudential Indicators are set each year to ensure that capital investments plans are affordable, prudent and sustainable. Likewise, a Treasury Management Strategy is agreed by Members so that Treasury Management decisions operate within a clear framework and in accordance with good practice. Financial performance is supplemented by operating performance e.g. recycling rates or creditors days, absence days. Council has developed innovative 'dashboards' to enhance the reporting of these performance indicators.

- The Council uses a variety of organisation development models to drive an ongoing programme of improvement, productivity and efficiency. These include Investors in People; Green Flag Awards and ISO 14001 Environmental Management. These are used to enable organisational change, transformation and/or improve specific operations.

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

The Council's Constitution (as referenced in Section 4.1/4.17) details clearly the policy and budget framework within which the Council operates, the functions of the Council and responsibilities for functions, including the decision making structure adopted by the Council. The Council is conscious of the need to keep the Constitution up to date and will review and revise where appropriate.

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



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

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

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

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

The Council's financial management arrangements conform to the governance arrangements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) as set out in Delivering Good Governance in Local Government: Framework (April 2016), with the exception that the Chief Financial Officer does not hold a professional accounting qualification.

Local regulations do not require the Chief Financial Officer to be professionally qualified. The roles of the Chief Financial Officer and Chief Executive are not separated within the Council. The Chief Financial Officer is supported, notably by the Director of Finance and Governance, who holds a professional accountancy qualification, along with other suitably qualified and experienced staff within the Finance function.

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

The Council achieved the Members Development Charter in December 2015 and is currently working towards achieving the prestigious Members Development Charter Plus accreditation.

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

The development needs of the Members are collated on an annual basis utilising a combination of market leading development tools such as 360 feedback, personal development planning and engaging key senior officers to provide feedback and strategic input into the final Member Development Plan to enable the achievement of the Council's Vision and Objectives.

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

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

The Council has agreed this year to launch two Leadership Development Programmes, iSupervise and iManage, to support senior officers and develop future leaders to enable and deliver the Council's long term ambitions.

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

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

The Council's risk registers have been formally reviewed and updated on a quarterly basis with reviews being completed for the periods ending June, September, December and March, with further updates, as considered necessary, in the intervening period. A review of fraud risk across the Council has culminated in the completion of a new Fraud Risk Register.

Internal Audit has reviewed whether the controls to mitigate the identified risks as cited within the Council Risk Registers are in place. The overall assurance rating for this review was "Satisfactory", indicating an adequate and effective system of governance, risk management and control.

Departments have given assurances that risks are being managed in accordance with the procedures laid down in the approved Strategy and that action planning has been performed

with responsibilities assigned for mitigating action. Corporate level risks have also been managed in the same manner.

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

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

The Audit Committee is a key component of Antrim and Newtownabbey Borough Council's corporate governance framework. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards. This Committee is integral to oversee independent and objective assurance and monitoring improvements in internal control and governance. Further details of the Council's Audit Committee and its core functions are contained within the 'Undertaking the core functions of an Audit Committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013)' section below.

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

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

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

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

The Council's Audit Committee consists of six members of the Council plus an independent member. The Committee met four times in the financial year 2016/17, with all Members attending each meeting.

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

It is the Committee's view that for 2016/17, it has discharged its responsibilities in full, although it has developed an action plan to support the further development of this key Committee.

## **5.0 INTERNAL AUDIT**

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

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 2016/17 is that based solely on the work undertaken during the 2016/17 year, and does not imply that Internal Audit has reviewed all risks relating to the Council.

Based on the work completed, Internal Audit has provided a "**Satisfactory Except for Accounts Payable**" 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.

With regards to Accounts Payable, Internal Audit had identified some improvements that were required to enhance the adequacy and/or effectiveness of governance, risk management and control. Management have been actively working through these improvements, and Accounts Payable will be subject to Internal Audit during 2017/18. Further details of these issues and progress made by management is provided in Section 7.

The Public Sector Internal Audit Standards (PSIAS) requires Internal Audit "to develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity."<sup>1</sup>

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

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

This review has been completed for 2016/17 and it has been concluded that there is an effective Internal Audit service within the Council which substantially conforms to the Public Sector Internal Audit Standards.

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<sup>1</sup> PSIAS – Standard 1300 – Quality Assurance and Improvement Programme



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

## **6.0 REVIEW OF EFFECTIVENESS**

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Internal Auditor's Annual Report, and also by comments made by the external auditors.

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

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

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

## **7.0 SIGNIFICANT GOVERNANCE ISSUES**

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

The following issues have been identified through the Directors' Assurance Statement process in 2016/17.

### **Accounts Payable**

During the year, Internal Audit reviewed the Accounts Payable system and provided a "limited" level of assurance. The report highlighted issues with respect to: (1) the controls in place to verify changes to supplier's bank details; (2) documentation associated with the manual clearing process; (3) duplicate payments; and (4) the use of confirmation orders.

Significant work has been undertaken to remedy these issues. Management has implemented a number of actions that have strengthened the financial systems and controls. Management is satisfied that the issues have been addressed and will continue to monitor, along with Internal Audit.

### Contract Management

Further work is required in respect of contract management. Though contract management policies and procedures exist, a comprehensive review is required to ensure that all contracts have been identified as such, and that the contract management policies and procedures have been applied for those contracts. This will be progress in 2017/18.

### Fuel Management

Responsibility for the management of fuel has historically been a devolved matter and accordingly there is a risk that fuel may not be managed in a consistent and robust manner across the Council. Responsibility has now been assigned to the Fleet Management function and a review will be undertaken in the forthcoming year and a detailed action plan developed.

### Payroll Information

Some issues were identified in the latter part of the year with respect to the processes, timeliness and accuracy of notifications provided to Payroll by the other parts of the organisation. (Matters of accuracy were addressed prior to the payroll being processed). Management has investigated the root cause of these issues and has taken formal action to address this. This matter is being kept under review until such time as management is satisfied that the necessary improvement in performance is in place and is being maintained.

### Facilities Management

A lack of management information in the Property Services Section has been identified through a recent Internal Audit review. This is currently being addressed through the research for and procurement of an IT system. It is important however to clarify that notwithstanding the issues identified, financial management information is received and discussed at monthly team meetings.

### Previous Years Issues

The following provides a brief summary of existing issues raised in previous years and a progress update.

Issue (as raised in 2015/16 Annual Report)	Update
<p><u>Agency Workers</u></p> <p>To improve the framework around sourcing, engaging and managing agency workers, a review has been carried out and a draft procedure prepared for the consideration of CLT. The drawing up of this procedure has highlighted the possibility of a residual issue. We have requested information from the agencies and until we reconcile payments to this data we will not be able to ensure all incremental/inflationary increases due were paid.</p>	<p>A Framework for Agency Staff was agreed by CLT and there are no residual issues (i.e. relating to incremental/inflationary increases).</p>


Issue (as raised in 2015/16 Annual Report)	Update
<p><u>Fleet Management</u></p> <p>During the year, the function of Fleet Management was moved from Operations to Finance and Governance. The inherited high risk area of Fleet Management is actively being addressed, however vehicle maintenance remains an area of concern particularly in relation to addressing years of custom and practice which may result in legal/financial/reputational implications for council. The outworking of the remaining risk management action plan aims to put adequate controls in place in the coming months.</p>	<p>The previous custom and practice challenges experienced in relation to vehicle maintenance were resolved following a change in both structure and delivery of the service.</p> <p>The new structure is embedding, and processes in relation to all aspects of fleet management continue to be assessed and refined.</p>
<p><u>Carrmoney Cemetery</u></p> <p>A number of issues have been identified in relation to the Carrmoney Cemetery</p> <p><i>Limitations on burial space:</i> There are limitations on cemetery space for urban Newtownabbey.</p> <p><i>Health and Safety, and PR concerns at Carrmoney Cemetery (including grave cave-ins and grave flooding):</i> Alternative solutions to existing Health and Safety issues at Carrmoney Cemetery are being proactively considered.</p>	<p>Additional plots have been developed at Carrmoney Cemetery in fringe locations, a shoring system is to be installed at relevant locations in the cemetery and the vesting process for Carrmoney North East Extension is nearing completion.</p>
<p><u>Ongoing industrial relations and their effect on service delivery</u></p> <p>As a result of Council's preferred option regarding waste collection arrangements being communicated, industrial relation issues are impacting on collective working arrangements.</p>	<p>Management is continuing to work through industrial relations issues and is specifically reviewing working practices. A review of waste collection arrangements is underway.</p>
<p><u>Cemetery Administration</u></p> <p>An issue regarding cemetery administration was raised via an internal audit in late April 2016.</p>	<p>The cemetery software has been updated and the updated version will be implemented from 1 June 2017 to address the issues.</p>

Issue (as raised in 2015/16 Annual Report)	Update
<p><u>Recording and timely investigations of accidents/incidents.</u></p> <p>In June 2016, internal audit identified issues in relation to the appropriate recording and timely investigations of accidents/incidents. Systems and processes have already been put in place to address the issues outlined in the report and these will continue to be monitored within this coming year.</p>	<p>Issues highlighted by Internal Audit in June 2016 continue in relation to inconsistencies in the corporate reporting and investigation of accidents / incidents. Following the appointment of a new corporate health and safety Manager, a new documented process has been developed to address any shortcomings.</p>

No other significant governance issues were identified.

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

  
 .....  
**Jacqui Dixon**  
**Chief Executive**  
**19 September 2017**

  
 .....  
**Councillor Tim Girvan**  
**Chairman of Antrim and Newtownabbey**  
**Borough Council Audit Committee**  
**19 September 2017**

## **REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2017**

### **Introduction**

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

### **Allowance and Remuneration Arrangements**

#### **Councillors**

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

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

Guidance and determinations on Councillors Allowances applicable from 1 April 2016 were issued by the Department of the Environment on 16 March 2016 (Circular LG 10/2016). Details of the allowances paid to individual councillors are published on the Council's website.

Following local elections on 22 May 2014, 462 councillors were elected to the 11 new councils for a four year term. Antrim and Newtownabbey Borough Council had 40 councillors in 2016/17.

#### **Senior Employees**

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

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

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

#### **Allowances Paid to Councillors**

The total amount paid to Councillors by way of allowances in 2016/17, under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012 was:

Table 1: Total Allowances paid to councillors in 2016/17

Allowance	2016/17		2015/16	
	Total Allowances £	Number of Councillors receiving the Allowance	Total Allowances £	Number of Councillors receiving the Allowance
Basic Allowance	570,752	40	567,236	41
Special Responsibility	46,176	25	45,373	24
Chairperson/Deputy	13,130	1	13,000	1
Vice Chairperson/	8,594	1	8,500	1
Mileage Allowance	24,749	32	22,649	34
Public Transport and Subsistence	859	19	945	14
Courses/ Conferences	15,818	23	8,514	13
Dependents' Carers				
<b>TOTAL ALLOWANCES</b>	<b>680,078</b>		<b>666,217</b>	

### Remuneration of Senior Employees

The following table provides details of the remuneration paid to senior employees in 2016/17:

Table 2: Remuneration (including salary)

Officers	2016/17				2015/16			
	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100) £'000	Total £'000	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100) Restated* £'000	Total £'000
J Dixon - Chief Executive	110-115		2,600	115-120	100-105		2,000	105-110
M McAlister - Director	80-85		1200	80-85	75-80		1200	75-80
G Girvan - Director	80-85		1200	80-85	75-80		1200	75-80
A McCooke - Director	80-85		1200	80-85	75-80		1200	75-80
C Archer - Director (Joined December 2016)	20-25 (75-80)		0	20-25 (75-80)				
C McFarland - Director (Leaver June 2016)	20-25 (80-85)		300	20-25 (80-85)	80-85		1200	80-85

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

The banded remuneration of the highest paid member of the Council Leadership Team in the financial year 2016/17 was £115k - £120k (2015/16 £105-£110k). This was 4.92 times the median remuneration of the workforce, which was £23,617 (2015/16 4.71 times, £22,270).

\*Benefits in kind restated to include allowances for Directors.

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

	2016/17	2015/16 Restated*
	£'000	£'000
Salary Band of Highest Paid member of the Executive Management Team/ Senior	115-120	105-110
Median Total Remuneration	23.61	22.27
Ratio	4.92	4.71

In 2016/17, no employees received remuneration in excess of the highest paid member of the Council Leadership Team.

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

\*Salary band of highest paid member of the executive management team/senior restated to reflect the remuneration paid as per Table 2.

### Salary

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

### Bonus Payments

Bonus payments are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2016/17 relate to performance in 2016/17.

### Benefits in Kind

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

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

### Exit Packages for staff

The number of exit packages provided to all staff by the Council during 2016/17, together with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Table 4: Exit Packages in 2016/17

Severance Package Cost Band	2016/17				2015/16			
	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000
£0 - £20,000		6	6	86		4	4	63
£20,001 - £40,000		2	2	53		12	12	358
£40,001 - £60,000		3	3	163		8	8	399
£60,001 - £80,000		2	2	135		3	3	218
£120,000 - £140,000		1	1	139				
£140,001 - £150,000						1	1	143

### Pension Benefits

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

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

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

The Scheme is funded by contributions made by both employees/councillors and employers. Prior to 1 April 2009, a pension scheme member's contribution rates were fixed at 6% of their pensionable remuneration (except for those who were entitled to contribute to the Scheme at 5% before 1 February 2003 and have remained in continuous employment). Tiered member contribution rates, determined by the whole-time equivalent rate of pay, were introduced from 1 April 2009. From 1 April 2015, the member contribution rates are determined on the actual rate of pay.

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

Table 5: Employee Contribution Rates

Band	Range	Employee Contribution Rate
1	£0 - £14,000	5.50%
2	£14,001 - £21,300	5.80%
3	£21,301 - £35,600	6.50%
4	£35,601 - £43,000	6.80%
5	£43,001 - £85,000	8.50%

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



Table 6: Employer Contribution Rates

Table 6: Employer Contribution Rates

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

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

Councillors have been able to join the Scheme since May 2011 and therefore have not accrued significant benefits thus far. However, the in-year pension contributions made by the Council for all councillors during 2016/17 was £124,468.

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

Table 7: Pension Benefits of senior staff in 2016/17

Table 7: Pension Benefits of senior staff in 2016/17 (audited information)

Officers	Accrued Pension at pension age as at 31/3/17	Real Increase in pension and related lump sum at pension age	CETV at 31/3/17	CETV at 31/3/16	Real increase in CETV
J Dixon	35-40	2.5-5.0	615	545	53
M McAlister	10-15	1.5-2.5	131	109	13
G Girvan	20-25	1.5-2.5	328	293	25
A McCooke	20-25	1.5-2.5	300	268	22
C Archer (Joined December 2016)	0-5	0.0-1.5	4	0	2
C McFarland (Leaver June 2016)	15-20	0.0-1.5	280	262	15

### The Cash Equivalent Transfer Value (CETV)

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

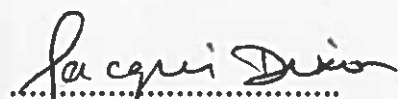
**The real increase in the value of the CETV**

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

## CERTIFICATE OF THE CHIEF FINANCIAL OFFICER

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2017 on pages 30 to 94 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 34 to 51.
- (b) in my opinion the Statement of Accounts gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

  
.....  
Jacqui Dixon  
Chief Financial Officer

**Date: 19 September 2017**

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

These accounts were approved by resolution of the Antrim and Newtownabbey Borough Council Audit Committee on 19th September 2017.



.....  
**Councillor Tim Girvan**

**Chairman of Antrim and Newtownabbey Borough Council Audit Committee**

**Date: 19 September 2017**

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

I have audited the financial statements of Antrim and Newtownabbey Borough Council for the year ended 31 March 2017 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. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

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.

### **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 the Antrim and Newtownabbey Borough Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the 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 and the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17, of the financial position of Antrim and Newtownabbey Borough Council as at 31 March 2017 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) 2015 and the Department for Communities directions issued thereunder.

### **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department for Communities directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and
- the information given in the Narrative Report for the financial year ended 31 March 2017 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 2016-17 ;
    - does not comply with proper practices specified by the Department for Communities;
    - is misleading or inconsistent with other information I am aware of from my audit; or
  - adequate accounting records have not been kept; or
  - the statement of accounts and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
  - I have not received all of the information and explanations I require for my audit, or
- I issue a report in the public interest under Article 9 of the Local Government (Northern Ireland) Order 2005; or
- I designate under Article 12 of the Local Government (Northern Ireland) Order 2005 any recommendation made to the Council; or
- I exercise the other special powers of the auditor under Article 19 to 21 of the Local Government (Northern Ireland) Order 2005.

**Certificate**

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



Louise Mason  
Local Government Auditor  
Northern Ireland Audit Office  
BELFAST  
BT7 1EU

29 September 2017

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

	General Fund Summary £	Other Fund Balances and Reserves £	Capital Receipts Reserve £	Total Usable Reserves £	Total Unusable Reserves £	Total Council Reserves £
<b>Balance as at 1 April 2015</b>	6,053,191	9,677,888	-	15,731,079	73,534,924	89,266,003
Adjustment to unusable reserve	-	-	-	-	124,810	124,810
<b>Restated Balance as at 1 April 2015</b>	<b>6,053,191</b>	<b>9,677,888</b>	<b>-</b>	<b>15,731,079</b>	<b>73,659,734</b>	<b>89,390,813</b>
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	6,446,549	-	-	6,446,549	-	6,446,549
Other Comprehensive Income and Expenditure	-	-	-	-	9,313,630	9,313,630
<b>Total Comprehensive Income and Expenditure</b>	<b>6,446,549</b>	<b>-</b>	<b>-</b>	<b>6,446,549</b>	<b>9,313,630</b>	<b>15,760,179</b>
Adjustments between accounting basis & funding under regulations	(4,025,838)	(7,101,560)	-	(11,127,398)	11,127,398	-
<b>Net increase/(decrease) before transfers to Statutory and Other Reserves</b>	<b>2,420,711</b>	<b>(7,101,560)</b>	<b>-</b>	<b>(4,680,849)</b>	<b>20,441,028</b>	<b>15,760,179</b>
Transfers to / from Statutory and Other Reserves	(581,016)	581,016	-	-	-	-
<b>Increase/ (Decrease in year)</b>	<b>1,839,695</b>	<b>(6,520,544)</b>	<b>-</b>	<b>(4,680,849)</b>	<b>20,441,028</b>	<b>15,760,179</b>
<b>Balance as at 31 March 2016</b>	<b>7,892,886</b>	<b>3,157,344</b>	<b>-</b>	<b>11,050,230</b>	<b>94,100,762</b>	<b>105,150,992</b>
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	(483,376)	-	-	(483,376)	-	(483,376)
Other Comprehensive Income and Expenditure	-	-	-	-	(10,088,188)	(10,088,188)
<b>Total Comprehensive Income and Expenditure</b>	<b>(483,376)</b>	<b>-</b>	<b>-</b>	<b>(483,376)</b>	<b>(10,088,188)</b>	<b>(10,571,564)</b>
Adjustments between accounting basis & funding under regulations	(760,469)	(1,076,919)	416,800	(1,420,588)	1,420,588	-
<b>Net increase/(decrease) before transfers to Statutory and Other Reserves</b>	<b>(1,243,845)</b>	<b>(1,076,919)</b>	<b>416,800</b>	<b>(1,903,964)</b>	<b>(8,667,600)</b>	<b>(10,571,564)</b>
Transfers to / from Statutory and Other Reserves	24,061	(24,061)	-	-	-	-
<b>Increase/(Decrease) in year</b>	<b>(1,219,784)</b>	<b>(1,100,980)</b>	<b>416,800</b>	<b>(1,903,964)</b>	<b>(8,667,600)</b>	<b>(10,571,564)</b>
<b>Balance as at 31 March 2017</b>	<b>6,673,102</b>	<b>2,056,364</b>	<b>416,800</b>	<b>9,146,266</b>	<b>85,433,162</b>	<b>94,579,428</b>

## Comprehensive Income and Expenditure Statement for the year ended 31 March 2017

Service Expenditure	Notes	2014/17			2015/16		
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
		£	£	£	£	Restated *	Restated *
Leisure and Recreational Services	2	24,631,541	6,160,225	18,471,316	19,406,640	6,047,648	13,358,992
Environmental Services	2	21,656,545	2,109,936	19,546,609	21,072,088	2,207,408	18,864,680
Planning and Development Services	2	3,774,161	2,969,907	804,254	3,986,162	3,216,576	769,586
Highways and Transport Services	2	228,968	66,208	162,760	163,971	143,932	20,039
DRM and Corporate Management	2	4,571,165	62,959	4,508,206	4,187,645	151,712	4,035,933
Other Services	2	1,176,854	569,028	607,826	1,391,634	568,651	822,983
<b>Cost of Services on Continuing Operations</b>		<b>56,039,234</b>	<b>11,938,263</b>	<b>44,100,971</b>	<b>50,208,140</b>	<b>12,335,927</b>	<b>37,872,213</b>
Other Operating Expenditure/(Income)	7	-	40,541	(40,541)	1,468	-	1,468
Financing and Investment Income and Expenditure	8	3,543,704	23,235	3,520,469	3,908,914	40,449	3,868,465
(Surplus) or Deficit on Discontinued Operations							
Share of Operating Results of associates and joint ventures							
<b>Net Operating Expenditure</b>		<b>59,582,938</b>	<b>12,002,039</b>	<b>47,580,899</b>	<b>54,118,522</b>	<b>12,376,376</b>	<b>41,742,146</b>
Taxation and Non-Specific Grant Income	9	-	47,097,523	(47,097,523)	-	48,188,695	(48,188,695)
<b>Surplus/(Deficit) on the Provision of Services</b>		<b>59,582,938</b>	<b>59,099,562</b>	<b>(483,376)</b>	<b>54,118,522</b>	<b>60,565,071</b>	<b>6,446,549</b>
(Surplus)/Deficit on revaluation of non-current assets	10			(1,930,999)			(1,296,530)
Surplus/(Deficit) arising on revaluation of available-for-sale financial assets	25			-			-
Remeasurements of the Net Defined Benefit Liability (Asset)	20			12,019,187			(8,017,100)
Share of Other Comprehensive Expenditure & Income of associates and joint ventures							
<b>Other Comprehensive Income and Expenditure</b>				<b>10,088,188</b>			<b>(9,313,630)</b>
<b>Total Comprehensive Income and Expenditure</b>				<b>9,604,812</b>			<b>(2,867,081)</b>

\*The comparative figures have been restated. See note 29.



**Balance Sheet as at 31 March 2017**

	Note	31st March 2017	31st March 2016
		£	£
Fixed Assets	10	179,893,786	177,383,378
Long Term Investments	15	-	-
Investment in Associates and Joint Ventures		-	-
Long Term Debtors	14	4,991	11,875
<b>LONG TERM ASSETS</b>		<b>179,898,777</b>	<b>177,395,253</b>
Short Term Investments	15	-	-
Inventories	13	285,158	266,056
Short Term Debtors	14	4,272,928	6,046,400
Cash and Cash Equivalents	24	2,913,668	2,964,394
Assets Held for Sale	10	-	-
<b>CURRENT ASSETS</b>		<b>7,471,754</b>	<b>9,276,850</b>
Bank Overdraft	24	-	-
Short Term Borrowing	16	5,481,895	6,329,927
Short Term Creditors	17	6,562,294	6,571,559
Provisions	18	2,312,445	264,215
<b>CURRENT LIABILITIES</b>		<b>14,356,634</b>	<b>13,165,701</b>
Long Term Creditors	17	-	-
Provisions	18	624,235	761,279
Long Term Borrowing	16	48,237,234	51,219,131
Other Long Term Liabilities	20	29,573,000	16,375,000
Donated Assets Account	21	-	-
Capital Grants Receipts in Advance	22	-	-
<b>LONG TERM LIABILITIES</b>		<b>78,434,469</b>	<b>68,355,410</b>
<b>NET ASSETS</b>		<b>94,579,428</b>	<b>105,150,992</b>
<b>USABLE RESERVES</b>			
Capital Receipts Reserve	25	416,800	-
Capital Grants Unapplied Account	25	176,347	37,050
Capital Fund	25	-	1,216,216
Renewal and Repairs Fund	25	848,075	848,075
Other Balances and Reserves	25	1,031,942	1,056,003
General Fund	25	6,673,102	7,892,886
		<b>9,146,266</b>	<b>11,050,230</b>
<b>UNUSABLE RESERVES</b>			
Capital Adjustment Account	25	80,004,010	76,394,362
Financial Instruments Adjustment Account	25	-	-
Revaluation Reserve	25	35,321,702	34,624,983
Available for Sale Financial Instruments Reserve	25	-	-
Pensions Reserve	25	(29,573,000)	(16,375,000)
Capital Receipts Deferred Account	25	-	-
Accumulated Absences Account	25	(319,550)	(543,583)
Landfill Regulations Reserve		-	-
Provisions Discount Rate Reserve		-	-
		<b>85,433,162</b>	<b>94,100,762</b>
<b>NET WORTH</b>		<b>94,579,428</b>	<b>105,150,992</b>

**Cash Flow Statement for the year ended 31 March 2017**

	Note	2016/17	2015/16
		£	£
Net surplus/(deficit) on the provision of services		(483,376)	6,446,549
Adjustment for non-cash movements	24	7,922,072	4,598,073
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	24	(1,228,821)	(1,078,471)
<b>Net cash flows from operating activities</b>		<b>6,209,875</b>	<b>9,966,151</b>
Cash flows from Investing Activities	24	(2,430,672)	(9,345,823)
Net Cash flows from Financing Activities	24	(3,829,929)	(3,144,993)
<b>Net increase or decrease in cash and cash equivalents</b>		<b>(50,726)</b>	<b>(2,524,665)</b>
Cash and cash equivalents at the beginning of the reporting period		2,964,394	(528,953)
Cash and cash equivalents transferred from legacy council during the year			6,018,012
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>2,913,668</b>	<b>2,964,394</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1A Accounting Policies

#### General Principles

The Statement of Accounts summarises the Council's transactions for the 2016/17 financial year and its position at the year-end of 31 March 2017. The Council is required to prepare an annual Statement of Accounts in a form directed by the Department for Communities in accordance with regulations 4 (1) and (8) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and the Service Reporting Code of Practice 2016/17, 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 2016/17 also requires disclosure in respect of:

#### Summary of Significant Accounting Policies

##### i) Accruals of Income and Expenditure

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

##### ii) Provision for Job Evaluation

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

##### iii) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that

mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents include bank overdrafts that are repayable on demand as they form an integral part of the Council's cash management.

**iv) Contingent Assets**

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

**v) Contingent Liabilities**

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

**vi) Employee Benefits**

**Short-term employee benefits**

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

**Termination benefits**

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

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

**Post Employment Benefits**

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

### **The Local Government Pension Scheme (Northern Ireland)**

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

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

Liabilities are discounted to their value at current prices, using a discount rate (based on the rate of return on a high quality corporate bond of equivalent term and currency to the Council's Fund liabilities determined using the constituents of the iBoxx index of AA rate corporate bonds).

The assets of the Local Government Pension Scheme (Northern Ireland) (the Scheme) attributable to the Council are included in the Balance Sheet at their fair value:

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

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

#### ***Within the Cost of Services***

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

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

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

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

- The Return on Plan Assets** – excluding amounts recognised in the Net Interest on the Net Defined Benefit Liability (Asset). This includes interest, dividends and other income derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of managing plan assets and any tax payable by the plan itself other than tax included in the actuarial assumptions used to measure the present value of the defined benefit obligation.

• **Actuarial Gains and Losses** – changes in the present value of the defined benefit obligation resulting from: a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and b) the effects of changes in actuarial assumptions.

• **Any change in the Effect of the Asset Ceiling** – excluding amounts included in the Net Interest on the Net Defined Benefit Liability (Asset).

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

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

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

**Discretionary Benefits**

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

**Northern Ireland Civil Service Pension Scheme**

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

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

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

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

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

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

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

**viii) Exceptional Items**

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

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

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

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

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

**x) Financial Instruments**

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

**Financial Liabilities**

Amortised Cost

**Financial Assets**

Loans and Receivables

Available for Sale

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

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

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

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be

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

#### Financial Assets

Financial assets are classified into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market.
- available-for-sale assets – that have a quoted market price and/or do not have fixed or determinable payments.

#### Loans and Receivables

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

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

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

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

#### Available-for-Sale Assets

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



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

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

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

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

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

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

**xi) Foreign Currency Translation**

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

**xii) Government Grants and Contributions**

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

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

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

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

contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

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

### **xiii) Intangible Assets**

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

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

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

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

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

**xiv) Inventories**

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

**xv) Investment Property**

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

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length.

Investment properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

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

**xvi) Landfill Allowance Schemes**

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

**xvii) Leases**

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

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

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

The Council as Lessee

*Finance Lease:*

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

Lease payments are apportioned between:

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

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

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

#### *Operating Leases:*

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

#### The Council as Lessor

##### *Finance Leases*

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

Lease rentals receivable are apportioned between:

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

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

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

#### *Operating Leases*

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

#### **xviii) Disposals and Non-Current Assets Held for Sale**

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

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

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

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

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

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

**xix) Overheads and Support Services**

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 2016/17 (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 – 25% reducing balance
- plant and equipment - straight line allocation over the estimated useful life of the asset, typically 5-10 years
- information technology - straight line allocation over 4 years

#### Componentisation

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Componentisation is only applicable to larger value land and buildings or equipment assets.

#### Revaluations

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

Council land and buildings were revalued at 1 April 2013 (former Newtownabbey Borough Council assets) and at 1<sup>st</sup> April 2014 (former Antrim Borough Council assets) by Land and Property Services in accordance with the RICS Valuation Professional Standards 8<sup>th</sup> Edition, on the assumption that the Council will continue to be in occupation. These properties were then revalued using indices provided by Land and Property Services at 31 March 2017. A revaluation of car parks transferred to Council on 1 April 2015 was undertaken by Land and Property Services as at 31 March 2017

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

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

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

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

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below.

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

#### **Other**

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



### **Heritage Assets - General**

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

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

### **xxii) Provisions**

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

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

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

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

### **xxiii) Reserves**

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies.

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

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

### **xxiv) Charges to Revenue for Non-Current Assets**

Charges to revenue for non-current assets e.g. services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year: depreciation attributable to the assets used by the relevant service, revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation

Reserve against which the losses can be written off, amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise District Rates to cover depreciation, impairment losses or amortisation. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with guidance issued by the Department of the Environment. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by minimum revenue provision - MRP in the General Fund Balance, by the way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

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

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement (MIRS) from the General Fund Balance to the Capital Adjustment Account (CAA) then reverses out the amounts charged, so that there is no impact on the level of District Rates. REFCUS may be offset in the relevant service by grants received to part/fully fund the related expenditure, these grants are transferred in the MIRS from the General Fund Balance to the CAA then reverses out the amounts credited, resulting in no impact on the level of District Rates.

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

Section 19(3) of the Local Government Finance Act (Northern Ireland) 2011 allows the Department for Communities (formerly Department of the Environment) to issue capitalisation directions to the Council. This permits specified items of expenditure normally classified as revenue to be treated as capital expenditure. The costs of transition associated with the Reform of Local Government were allowed for capitalisation. The Council received approval from the Department to capitalise up to £2.7m of such costs during the financial year ending 31 March 2017.

Expenditure incurred during the year that may be capitalised under a capitalisation direction has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement (MIRS) from the General Fund Balance to the Capital Adjustment Account (CAA) then reverses out the amounts charged, so that there is no impact on the level of District Rates. REFCUD may be offset in the relevant service by grants received to part/fully fund the related expenditure, these grants are transferred in the MIRS from the General Fund Balance to the CAA then reverses out the amounts credited, resulting in no impact on the level of District Rates.

**xxvii) Value Added Tax**

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

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

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

For 2016/17, the following accounting standards have been issued but not yet adopted within the Code of Practice on Local Authority Accounting.

- Amendment to the reporting of pension fund scheme transactions costs

- Amendment to the reporting of investment concentration (see paragraph 6.5.5.1 (m) of the 2017/18 code)

It is not anticipated that these accounting changes will impact the Council.

### **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 2017 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

#### **Property, Plant and Equipment**

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

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

It is estimated that the annual depreciation charge for buildings would increase by £217k for every year that useful lives had to be reduced.

#### **Provisions**

The Council has made provisions as set out in Note 18.

#### **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 £3.0m.

**Sundry Debtors**

At 31 March 2017, the Council had a balance of sundry debtors for £893,872 (2015/16 £950,375). A review of significant balances suggested that an allowance for doubtful debts of £96,411 (2015/16 £69,973) was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.

**2**

**Notes to the Financial Statements**

**2 Segmental Reporting Analysis**

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 for Communities' Accounts Direction.

Difference between items included in surplus/deficit on provision of services of £475,809 and amounts reported in segmental analysis of £47,580,899 below is £48,056,708. 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 for Communities is as follows:

Services	2016/17				2015/16	
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income Restated *	Net Expenditure Restated *
	£	£	£	£	£	£
Culture and Heritage	3,366,504	(848,773)	2,517,731	2,297,601	(789,301)	1,508,300
Recreation and Sport	17,419,974	(4,219,475)	13,200,499	13,932,931	(4,337,203)	9,595,728
Tourism	1,149,445	(410,114)	739,331	639,307	(215,283)	424,024
Community Services	2,695,618	(681,863)	2,013,755	2,536,801	(705,861)	1,830,940
<b>Leisure and Recreational Services</b>	<b>24,631,541</b>	<b>(6,160,225)</b>	<b>18,471,316</b>	<b>19,406,640</b>	<b>(6,047,648)</b>	<b>13,358,992</b>
Cemetery, Cremation & Mortuary	1,165,347	(671,504)	493,843	910,730	(561,451)	349,279
Environmental Health	3,405,838	(462,264)	2,943,574	3,378,250	(554,558)	2,823,692
Flood Defence and Land Drainage	-	-	-	-	-	-
Public Conveniences	93,512	(63)	93,449	78,413	(80)	78,333
Licensing	3,396	-	3,396	3,396	-	3,396
Other Cleaning	2,515,455	(7,535)	2,507,920	2,471,527	(2,656)	2,468,871
Waste Collection	13,755,730	(970,108)	12,785,622	13,242,030	(1,044,550)	12,197,480
Waste Disposal	292,108	(1,162)	290,946	428,444	(1,162)	427,282
Other Community Assets	396,502	5,107	401,609	543,906	(29,778)	514,128
Minor Works	28,657	(2,407)	26,250	15,392	(13,173)	2,219
<b>Environmental Services</b>	<b>21,656,545</b>	<b>(2,109,936)</b>	<b>19,546,609</b>	<b>21,072,088</b>	<b>(2,207,408)</b>	<b>18,864,680</b>
Community Planning	-	-	-	-	-	-
Economic Development	865,650	(227,150)	638,500	1,003,892	(441,646)	562,246
EU Rural Development	-	-	-	-	-	-
Urban Regeneration and Community Development	227,635	(11,961)	215,674	69,329	(310)	69,019
Planning Policy	1,069	-	1,069	1,936	-	1,936
Development Control	1,620,565	(1,860,372)	(239,807)	1,736,616	(1,982,958)	(246,342)
Building Control	1,059,242	(870,424)	188,818	1,174,389	(791,662)	382,727
Environmental initiatives	-	-	-	-	-	-
<b>Planning and Development Services</b>	<b>3,774,161</b>	<b>(2,969,907)</b>	<b>804,254</b>	<b>3,986,162</b>	<b>(3,216,576)</b>	<b>769,586</b>
Off-street Parking Services	228,968	(66,208)	162,760	163,971	(143,932)	20,039
<b>Highways and Transport Services</b>	<b>228,968</b>	<b>(66,208)</b>	<b>162,760</b>	<b>163,971</b>	<b>(143,932)</b>	<b>20,039</b>
Democratic Representation and Management	1,870,357	(5,520)	1,864,837	1,671,663	(54,920)	1,616,743
Corporate Management	2,700,808	(57,439)	2,643,369	2,515,982	(96,792)	2,419,190
<b>DRM and Corporate Management</b>	<b>4,571,165</b>	<b>(62,959)</b>	<b>4,508,206</b>	<b>4,187,645</b>	<b>(151,712)</b>	<b>4,035,933</b>
Trading Services	-	-	-	-	-	-
Non Distributed Costs	271,044	-	271,044	430,537	-	430,537
Central Services to the Public	905,810	(569,028)	336,782	961,097	(568,651)	392,446
<b>Other Services</b>	<b>1,176,854</b>	<b>(569,028)</b>	<b>607,826</b>	<b>1,391,634</b>	<b>(568,651)</b>	<b>822,983</b>
<b>CONTINUING OPERATIONS</b>	<b>56,039,234</b>	<b>(11,938,263)</b>	<b>44,100,971</b>	<b>50,208,140</b>	<b>(12,335,927)</b>	<b>37,872,213</b>

\*The comparative figures have been restated. See note 29.

## 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.

	2016/17	2016/17	2015/16	2015/16
	£	£	Restated	Restated
	£	£	£	£
<b>Net Cost of Services in Service Analysis</b>		44,100,971		37,872,213
<b>Items excluded from Service Analysis:</b>				
Add amounts not reported in Service Analysis but included in Net Cost of Services in the Comprehensive Income and Expenditure Statement	-		-	
Remove amounts reported in Service Analysis but not included in Net Cost of Services in the Comprehensive Income and Expenditure Statement	-		-	
<b>Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement</b>		44,100,971		37,872,213
<b>Items included in Net Operating Expenditure excluded from Service Analysis:</b>				
Other Operating Expenditure/(Income)	(40,541)		1,468	
Financing and Investment Income and Expenditure	3,520,469		3,868,465	
Surplus or Deficit on Discontinued Operations	-		-	
		<b>3,479,928</b>		<b>3,869,933</b>
<b>Net Operating Expenditure per the Comprehensive Income and Expenditure Statement</b>		47,580,899		41,742,146

**3a Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:**

	Notes	2016/17		2015/16 Restated	
		£	£	£	£
<b>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:</b>					
Impairments (losses & reversals) of non-current assets		-		-	
Derecognition (other than disposal) of non-current assets	10	-		-	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	10	(3,338,436)		(7,944,048)	
Depreciation charged in the year on non-current assets	10	6,172,079	2,833,643	6,186,055	(1,757,993)
Net Revenue expenditure funded from capital under statute	25		87,521		131,446
Net Revenue expenditure funded from capital under direction	11		1,643,332		1,169,662
Carrying amount of non current assets sold	7	374,045		919	
Proceeds from the sale of PP&E, investment property and intangible assets	24,25	(416,800)	(42,755)	-	919
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		4,691,000		5,230,000
Direct revenue financing of Capital Expenditure	12,25		-		-
Capital Grants and Donated Assets Receivable and Applied in year	9b		(647,870)		(1,078,471)
Capital Grants Receivable and Unapplied in year	9c		(164,151)		(37,050)
Rates Claw-Back Reserve	25		-		-
Adjustments in relation to Short-term compensated absences	25		(224,033)		352,857
Adjustments in relation to Lessor Arrangements			-		-
Landfill Regulations Reserve Adjustment	25		-		-
Provisions Discount Rate Reserve Adjustment	25		-		-
<b>Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year</b>					
Statutory Provision for the financing of Capital Investment	25		(5,424,969)		(4,494,308)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	20		(3,512,187)		(3,542,900)
			(760,469)		(4,025,838)



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

Net transfers (to)/from statutory and other earmarked reserves:		2016/17		2015/16 Restated	
	Notes	£	£	£	£
<b>Capital Fund</b>					
Interest		-		-	
From Capital		-		(13,451)	
Other	25	-	-	-	(13,451)
<b>Renewal and Repairs Fund</b>					
Interest		-		(1,100)	
Other	25	-	-	(585,000)	(586,100)
<b>Capital Receipts Reserve</b>					
Interest		-		-	
Other	25	-	-	-	-
<b>Other Funds and earmarked reserves</b>					
Interest		(3,588)		(4,510)	
From Other funds		27,649		23,045	
Other	25	-	24,061	-	18,535
			24,061		(581,016)

**4a General Power of Competence**

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

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

The actual expenditure under the power of competence amounted to £nil during 2016/17 (£nil 2015/16).

**4b External Audit Fees**

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

	2016/17	2015/16
	£	£
External Audit Fees	42,000	42,000
Grant Claim Certification Fees	-	-
Adjustment for Previous Years		(1,000)
Other Fees	15,904	-
	57,904	41,000

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

**5a Operating and Finance Leases**

**Council as Lessor:**

Gross receivables from finance leases	2016/17	2015/16
	£	£
<b>Long Term Debtors</b>		
Finance leases- gross receivables	-	-
Less - Unearned finance income	-	-
Less - Unguaranteed residual value of property	-	-
<b>Net Present Value</b>	-	-
<b>Short Term Debtors</b>		
Finance leases- gross receivables	-	-
Less - Unearned finance income	-	-
Less - Unguaranteed residual value of property	-	-
<b>Net Present Value</b>	-	-
<b>Gross receivables from finance leases</b>		
No later than 1 year	-	-
Later than 1 year and no later than 5 years	-	-
Later than 5 years	-	-
<b>Total gross receivables</b>	-	-
Less-Unearned future finance income on finance leases	-	-
Less-Unguaranteed residual value of property	-	-
<b>Net investment in finance leases</b>	-	-

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

	2016/17	2015/16
	£	£
No later than 1 year	-	-
Later than 1 year and no later than 5 years	-	-
Later than 5 years	-	-
<b>Total gross receivables</b>	-	-

**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 £145,578. No contingent rents were recognised.

	2016/17		2015/16	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
<b>Minimum lease rentals receivable:</b>				
No later than 1 year	144,498	-	116,063	-
Later than 1 year and no later than 5 years	463,733	-	377,304	-
Later than 5 years	675,259	-	719,797	-
	<b>1,283,490</b>	<b>-</b>	<b>1,213,164</b>	<b>-</b>

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

	2016/17		2015/16	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Cost	9,220,651	-	9,294,104	-
Accumulated depreciation and impairments at 1 April	(121,043)	-	(240,533)	-
Depreciation charge for the year	(265,135)	-	(242,411)	-
Impairments	84,607	-	288,447	-
	<b>8,919,080</b>	<b>-</b>	<b>9,099,607</b>	<b>-</b>

**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:

	2016/17		2015/16	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Minimum lease payments	-	36,094	-	33,758
Contingent rentals	-	-	-	-
Less: Sublease payments receivable	-	(18,544)	-	(17,516)
<b>Total</b>	<b>-</b>	<b>17,550</b>	<b>-</b>	<b>16,242</b>

Sub-lease payments received relate to employee contributions for the use of the leased cars. The total of future minimum sub-lease payments expected to be received for the leased cars at 31 March 2017 is £23,286 (2015/16 £11,927).

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

	2016/17		2015/16	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
<b>Minimum lease rentals payable:</b>				
No later than 1 year	-	27,954	-	20,097
Later than 1 year and no later than 5 years	-	25,779	-	24,960
Later than 5 years	-	-	-	-
<b>Total</b>	<b>-</b>	<b>53,733</b>	<b>-</b>	<b>45,057</b>

## 6 Employee Costs and Members' Allowances

### 6a Staff Costs

Employee Costs and Member Allowances		
Staff Costs	2016/17	2015/16
	£	£
Salaries and Wages	18,772,963	19,400,864
Employers National Insurance Contributions	1,623,721	1,206,339
Employers Superannuation	3,455,425	3,478,224
<b>Total staff costs</b>	<b>23,852,109</b>	<b>24,085,427</b>

In addition, agency costs during the year amounted to £1,898,848 (2015/16 £1,452,294).

The Council's current contribution rate to the Local Government Pension Scheme (Northern Ireland) (the Scheme) is 20%. At the last actuarial valuation, 31 March 2016, the Funding level has increased to 96% from 91% at the previous valuation at 31 March 2013.

Included in the above are costs of £575,700 (2015/16 £1,221,884) incurred as a result of a further phase of the Council's voluntary severance scheme for staff introduced as an efficiency measure. Included in Salaries and Wages are redundancy costs of £478,616 (2015/16 £1,063,633) and superannuation costs of £97,084 (2015/16 £158,231).

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

Average Number of Employees	2016/17	2015/16
	FTE	FTE
Leisure and Recreation Services	238	270
Environmental Services	266	260
Planning and Development Services	31	29
Highways and Transport Service	-	-
Other	135	142
<b>Total Number</b>	<b>670</b>	<b>701</b>

**6c Senior Employees' Remuneration**

Senior Employees' Remuneration	2016/17	2015/16
	£	£
£50,001 to £60,000	15	12
£60,001 to £70,000	-	-
£70,001 to £80,000	-	3
£80,001 to £90,000	3	1
£90,001 to £100,000	-	-
£100,001 to £110,000	-	1
£110,001 to £120,000	1	-
<b>Total Number</b>	<b>19</b>	<b>17</b>

**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 £870,547 (2015/16 £854,383) and are as follows:

Members' Allowances	2016/17	2015/16
	£	£
Salaries	-	-
Basic allowance	570,752	567,236
Mayor's & Deputy Mayor's Allowance	21,724	21,500
Special Responsibility Allowances	46,176	45,373
Dependents' carers allowance	-	-
Employer costs	169,962	165,200
Mileage	24,749	22,649
Conferences and Courses	15,818	8,514
Travel & Subsistence Costs	859	945
Miscellaneous Costs	19,132	22,966
Severance Payments	-	-
<b>Total</b>	<b>869,172</b>	<b>854,383</b>

Severance Payments shown above are made under the Local Government (Severances Payments to Councillors) Regulations (NI) 2013 and are fully funded by the Northern Ireland Executive.

During the year allowances of £1,200 (£900 2015/16) were paid to Committee Members who were not Councillors.

**6e Northern Ireland Civil Service Pension Arrangements**

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Department of the Communities is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31/03/2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DFP Superannuation and Other Allowances Resource Accounts as at 31 March 2017.

For 2016-17, employers' contributions of £209,688 (2015/16 £216,987) were payable to the Northern Ireland Civil Service pension arrangements at one of four rates in the range 20.8% to 22.8% (2015/16 20.8% to 26.3%) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2012 was completed by the

actuary during 2014-15. This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2015. The contribution rates are set to meet the cost of the benefits accruing during 2016-17 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

No employees opted to open a partnership pension account - a stakeholder pension with an employer contribution.

No persons retired early on ill-health grounds under this scheme; the total additional accrued pension liabilities in the year amounted to £Nil (2015/16 £Nil).

## 7 Other Operating Expenditure

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

Surplus/Deficit on Non-Current Assets (excl Investment Properties)		
	2016/17	2015/16
	£	£
Proceeds from sale	(416,800)	(6,637)
Carrying amount of non-current assets sold (excl Investment Properties)	374,045	919
Proceeds from sale in the Comprehensive Income and Expenditure	-	6,637
	(42,755)	919

### 7b Other Operating Income/Expenditure

	2016/17	2015/16
	£	£
Income	-	-
Expenditure	2,214	549
	2,214	549

Other Operating Expenditure	2016/17	2015/16
	£	£
(Surplus) / Deficit on Non Current Assets	(42,755)	919
Other Operating (Income) / Expenditure	2,214	549
	(40,541)	1,468

## 8 Financing and Investment Income and Expenditure

### 8a Interest Payable and Similar Charges

	2016/17	2015/16
	£	£
Lease/hire purchase interest	-	-
Bank interest	-	-
Government Loan Interest	3,034,704	3,243,914
Commercial Loan Interest	-	-
Other interest (please specify)	-	-
	3,034,704	3,243,914

### 8b Interest and Investment Income

	2016/17	2015/16
	£	£
Bank Interest	22,646	39,339
Employee car loan interest	589	1,110
NIHE Loan interest receivable	-	-
<i>Investment income on Fund Balances</i>		
Capital Fund	-	-
Repairs & Renewals Fund	-	-
Other Funds	-	-
Other Investment income	-	-
	23,235	40,449

### 8c Pensions interest cost and expected return on pensions assets

	2016/17	2015/16
	£	£
Net interest on the net defined benefit liability (asset)	509,000	665,000
	509,000	665,000

### 8d Surplus/(Deficit) on trading operations

There were no trading operations.



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

	2016/17	2015/16
<b>Income/Expenditure from Investment Properties:</b>	<b>£</b>	<b>£</b>
Income including rental income	-	-
Expenditure	-	-
De-recognition in relation to amounts written off	-	-
<i>Net income from investment properties</i>	-	-
<b>Surplus/deficit on sale of Investment Properties</b>		
Proceeds from sale	-	-
Carrying amount of investment properties sold	-	-
<i>(Surplus)/deficit on sale of Investment Properties:</i>	-	-
<b>Changes in Fair Value of Investment Properties</b>	-	-
	-	-

Financing and Investment Income and Expenditure	2016/17			2015/16		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Interest Payable and Similar Charges	3,034,704	-	3,034,704	3,243,914	-	3,243,914
Interest and Investment Income	-	(23,235)	(23,235)	-	(40,449)	(40,449)
Pensions interest cost	509,000	-	509,000	665,000	-	665,000
Surplus/(Deficit) on trading operations	-	-	-	-	-	-
Other investment income	-	-	-	-	-	-
Changes in Fair Value of Investment Properties	-	-	-	-	-	-
	<b>3,543,704</b>	<b>(23,235)</b>	<b>3,520,469</b>	<b>3,908,914</b>	<b>(40,449)</b>	<b>3,868,465</b>

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

**9a Revenue Grants**

	2016/17	2015/16
	£	Restated *
	£	£
General	(2,545,768)	(2,363,563)
Other	-	-
	(2,545,768)	(2,363,563)

\* See note 29

**9b Capital Grants and Donated Assets-Applied**

	2016/17	2015/16
	£	£
Government & Other Grants - Conditions met and applied in year	(647,870)	(578,471)
Government & Other Grants - Transfer from receipts in advance	-	(500,000)
Donated Assets - Conditions met	-	-
Donated Assets - Transfer from donated assets creditor	-	-
	(647,870)	(1,078,471)

**9c Capital Grants-Unapplied**

	2016/17	2015/16
	£	£
Government & Other Grants - Conditions met and not applied in year	(164,151)	(37,050)
Other	-	-
	(164,151)	(37,050)

**9d District Rates**

	2016/17	2015/16
	£	£
Current year	(44,698,919)	(44,709,611)
Finalisation - previous year	-	-
Transitional Relief	-	-
Finalisation - other years	959,185	-
	(43,739,734)	(44,709,611)

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

Taxation and Non Specific Grant Income	2016/17	2015/16 Restated
	£	£
District Rate Income	(43,739,734)	(44,709,611)
Revenue Grants	(2,545,768)	(2,363,563)
Capital Grants and Contributions	(812,021)	(1,115,521)
	(47,097,523)	(48,188,695)

10a Fixed Assets Note – Current Year

Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles Plant & Community Equipment	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Intangible Assets	Assets Held for Resale	TOTAL
<b>Balance as at 1 April 2016</b>	32,635,974	128,279,369	-	-	18,824,806	3,732,961	4,610,350	188,319,003	3,094,009	-	361,275	363,000	192,137,287
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2016</b>	32,635,974	128,279,369	-	-	18,824,806	3,732,961	4,610,350	188,319,003	3,094,009	-	361,275	363,000	192,137,287
Additions	-	1,084,984	-	-	810,223	1,826,797	-	3,722,004	1,661	-	63,432	-	3,787,097
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/ (decreases) to Revaluation Reserve	1,336,930	1,209	-	-	-	(11,302)	-	1,326,837	(39,607)	-	-	-	1,287,230
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	-	(596,427)	-	-	-	-	-	(596,427)	-	-	-	-	(596,427)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(775,290)	-	-	(775,290)	-	-	-	(363,000)	(1,138,290)
Derecognition - Other	-	-	-	-	(21,205)	(5,382,102)	-	(149,692)	119,987	-	29,705	-	-
Reclassifications & Transfers Held for Sale	-	5,253,615	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	33,972,904	134,022,750	-	-	18,838,534	234,241	4,610,350	191,846,435	3,174,050	-	484,412	-	195,476,897
Depreciation and Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2016</b>	-	474,074	-	-	13,926,594	-	-	14,400,668	6,951	-	346,290	-	14,753,909
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2016</b>	-	474,074	-	-	13,926,594	-	-	14,400,668	6,951	-	346,290	-	14,753,909
Depreciation Charge	-	4,711,819	-	-	1,345,006	16,119	-	6,072,944	74,734	-	24,401	-	6,172,079
Depreciation written out on Revaluation Reserve	-	(640,617)	-	-	-	(3,152)	-	(643,769)	-	-	-	-	(643,769)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(3,857,114)	-	-	-	(12,967)	-	(3,870,081)	(64,782)	-	-	-	(3,934,863)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(764,245)	-	-	(764,245)	-	-	-	-	(764,245)
Derecognition - Other	-	-	-	-	(10,646)	-	-	(10,646)	-	-	10,646	-	-
Reclassifications & Transfers Eliminated on reclassification to Held for Sale	-	688,162	-	-	14,496,709	-	-	16,184,871	16,903	-	381,337	-	16,583,111
<b>Balance as at 31 March 2017</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Book Values</b>	33,972,904	133,334,588	-	-	4,341,825	224,241	4,610,350	176,661,564	3,159,147	-	73,075	-	179,893,784

**10b Fixed Assets Note - Comparative Year**

Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Mortgage Assets	Investment Properties	Intangible Assets	Assets Held for Sale	TOTAL
<b>Balance as at 1 April 2015</b>	32,444,124	119,221,053	-	-	17,738,309	248,000	3,582,961	4,940,350	<b>178,194,797</b>	2,959,718	-	358,325	-	<b>181,512,840</b>
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2015</b>	32,444,124	119,221,053	-	-	17,738,309	248,000	3,582,961	4,940,350	<b>178,194,797</b>	2,959,718	-	358,325	-	<b>181,512,840</b>
Additions (Note 11)	191,850	919,048	-	-	1,169,385	-	7,284,585	-	<b>9,564,868</b>	163,105	-	2,950	-	<b>9,730,923</b>
Increases/decreases to Revaluation Reserve	-	793,084	-	-	-	(12,457)	-	13,000	<b>793,429</b>	(31,539)	-	-	-	<b>742,090</b>
Decreases to Surplus or Deficit on the Provision of Services	-	273,322	-	-	-	-	-	-	<b>273,322</b>	-	-	-	-	<b>273,322</b>
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification - Disposals	-	-	-	-	(82,888)	-	-	-	<b>(82,888)</b>	-	-	-	-	<b>(82,888)</b>
Reclassification - Other	-	7,072,800	-	-	-	-	(59,000)	-	<b>(59,000)</b>	2,725	-	-	-	<b>(59,000)</b>
Reclassified to / from (*)	-	-	-	-	-	-	(7,075,585)	-	<b>(7,075,585)</b>	-	-	-	-	<b>(7,075,585)</b>
Reclassified to / from (*)	-	-	-	-	-	-	-	(363,000)	<b>(363,000)</b>	-	-	-	363,000	<b>(363,000)</b>
<b>Balance as at 31 March 2016</b>	32,435,974	126,279,369	-	-	18,824,806	235,543	3,732,961	4,610,350	<b>188,319,003</b>	3,094,009	-	361,275	363,000	<b>192,137,267</b>

Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Mortgage Assets	Investment Properties	Intangible Assets	Assets Held for Sale	TOTAL
<b>Balance as at 1 April 2015</b>	-	4,046,105	-	-	12,401,162	14,800	-	-	<b>16,462,067</b>	63,501	-	329,421	-	<b>16,854,989</b>
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2015</b>	-	4,046,105	-	-	12,401,162	14,800	-	-	<b>16,462,067</b>	63,501	-	329,421	-	<b>16,854,989</b>
Depreciation Charge	-	4,487,035	-	-	1,607,401	14,800	-	-	<b>6,109,234</b>	59,950	-	16,869	-	<b>6,186,053</b>
Depreciation written out on Revaluation Reserve	-	(530,398)	-	-	-	(4,042)	-	-	<b>(534,440)</b>	-	-	-	-	<b>(534,440)</b>
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(7,328,668)	-	-	-	(25,558)	-	-	<b>(7,554,226)</b>	(116,500)	-	-	-	<b>(7,670,726)</b>
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification - Disposals	-	-	-	-	(81,969)	-	-	-	<b>(81,969)</b>	-	-	-	-	<b>(81,969)</b>
Reclassification - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification & Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2016</b>	-	474,074	-	-	13,928,994	14,800	-	-	<b>14,408,668</b>	4,951	-	366,290	-	<b>14,753,909</b>

**Net Book Values**

<b>Balance as at 31 March 2016</b>	32,435,974	127,805,295	-	-	4,894,212	235,543	3,732,961	4,610,350	<b>173,918,335</b>	3,097,058	-	14,985	363,000	<b>177,383,378</b>
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### **10c Property, Plant and Equipment (PP&E)**

Included within Property, Plant and Equipment are 11 car parks which transferred to the Council under Reform of Local Government. These car parks were transferred at the 1 April 2015 at the value provided by DfI (Department for Infrastructure) who last carried out a full revaluation as at 31 March 2013. A revaluation of the car parks was undertaken by Land and Property Services as at 31 March 2017. Adjustments to the value of these assets have been recorded.

### **10d Fixed Assets Note – Leased Assets**

There are no leased assets held by the Council during 2016/17.

### **10e Surplus Assets**

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

### **10f Heritage Assets**

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

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

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

### **Art Collections**

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

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

### **Other**

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

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

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

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

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

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

### **10g Assets Held for Sale**

There were no assets held for sale as at 31 March 2017.

### **10h Investment Properties**

The Council does not hold any investment properties.

## 11 Capital Expenditure and Capital Financing

Capital Expenditure		2016/17	2015/16
		£	£
<b>Opening Capital Financing Requirement</b>		66,364,033	68,102,391
<b>Capital Investment</b>			
Property, Plant and Equipment	10	3,723,665	9,668,973
Investment Properties		-	-
Intangible Assets		63,432	2,950
Revenue Expenditure Funded from Capital under Statute		510,013	131,446
Revenue Expenditure Funded from Capital under Direction		1,643,332	1,169,662
Investments		-	-
<b>Sources of Finance</b>			
Capital Receipts			-
Government Grants and Other Contributions		(1,095,216)	(3,872,639)
Transfers from Earmarked Reserves		(1,216,216)	(4,344,442)
<b>Sums set aside from Revenue:</b>			
Direct Revenue Contributions		-	-
Minimum Revenue Provision		(5,424,969)	(4,494,308)
<b>Closing Capital Financing Requirement</b>		64,568,074	66,364,033
<b>Explanation of Movements in Year</b>		2016/17	2015/16
		£	£
Increase/(Decrease) in underlying need to borrow		(1,795,959)	(1,738,358)
Assets acquired under finance leases		-	-
Assets acquired under PFI/PPP contracts		-	-
<b>Increase/(decrease) in Capital Financing Requirement</b>		(1,795,959)	(1,738,358)



## 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	2,046,471	-	2,046,471
Other Commitments	-	-	-
<b>Total</b>	<b>2,046,471</b>	<b>-</b>	<b>2,046,471</b>

## 13 Inventories

Inventories	2016/17	2015/16
	£	£
Goods for Resale	67,952	18,885
Central Stores	217,206	247,171
<b>Total</b>	<b>285,158</b>	<b>266,056</b>

The cost of inventories recognised as expense and included in 'services' amounted to £1,099,766 (2015/16 £891,783).

## 14 Debtors

### 14a Long Term Debtors

Long Term Debtors	2016/17	2015/16
	£	£
Government Departments	-	-
Other Councils	-	-
Public corporations and trading funds	-	-
Bodies external to general government	-	-
Employee car loans	4,991	11,875
Revenue Grants	-	-
Capital Grants	-	-
Interest Receivable	-	-
Capital Debtors	-	-
Loans and advances	-	-
Finance lease debtors	-	-
Trade debtors	-	-
NIHE Loans	-	-
Other	-	-
Impairment of loans and receivables	-	-
<b>Total Long-Term Debtors</b>	<b>4,991</b>	<b>11,875</b>

**14b Short Term Debtors**

Short Term Debtors		2016/17	2015/16
		£	£
Government Departments		439,371	932,422
Other Councils		111,010	77,831
Public corporations and trading funds		-	-
Bodies external to general government		-	-
NIHE loans		-	-
Employee car loans		7,659	8,961
Revenue Grants		953,719	1,204,897
Capital Grants		1,310,602	1,017,391
Interest Receivable		-	-
Capital Debtors		-	-
Value Added Tax		870,919	1,387,750
Prepayments		72,134	542,838
Finance lease debtors		-	-
Other		603,925	944,283
Trade receivables		-	-
Impairment loss		(96,411)	(69,973)
<b>Total Short-Term Debtors</b>		<b>4,272,928</b>	<b>6,046,400</b>
<b>Total Debtors</b>		<b>4,277,919</b>	<b>6,058,275</b>

**15a Long Term Investments**

Long Term Investments		2016/17	2015/16
		£	£
Investments - general		-	-
Investments - repairs and renewals		-	-
Investments - capital fund		-	-
Investments - other		-	-
<b>Total Long-term Investments</b>		<b>-</b>	<b>-</b>
<b>Analysed over:</b>		<b>2016/17</b>	<b>2015/16</b>
		<b>£</b>	<b>£</b>
Money market deposits		-	-
Other deposits		-	-
<b>Total Long-term Investments</b>		<b>-</b>	<b>-</b>

**15b Short Term Investments**

Short-Term Investments		2016/17	2015/16
		£	£
Investments - general		-	-
Investments - repairs and renewals		-	-
Investments - capital fund		-	-
Investments - other		-	-
<b>Total Short-term Investments</b>		-	-
Analysed over:		2016/17	2015/16
		£	£
Money market deposits		-	-
Other deposits		-	-
<b>Total Short-term Investments</b>		-	-
<b>Total Long Term and Short-term Investments</b>		-	-

**16a Short Term Borrowing**

Short Term Borrowing		2016/17	2015/16
		£	£
Loans re-payable within one year		5,481,895	6,329,927
Finance Lease Principal		-	-
<b>Total Short Term Borrowing</b>		5,481,895	6,329,927

**16b Long Term Borrowing**

Long Term Borrowing		2016/17	2015/16
		£	£
Between 1 and 2 years		3,001,217	2,981,895
Between 2 and 5 years		10,783,906	11,407,744
Between 5 and 10 years		10,386,954	10,950,120
In more than 10 years		24,065,157	25,879,372
<b>Government Loans Fund</b>		48,237,234	51,219,131
<b>Total Borrowing</b>		53,719,129	57,549,058

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

The loans are analysed on a repayment basis.

**17a Short Term Creditors**

Short Term Creditors		2016/17	2015/16
		£	£
Government Departments		451,366	751,835
Other Councils		46,667	39,657
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Rates clawback		-	-
VAT		-	-
Remuneration due to employees		360,613	747,186
Accumulated Absences		319,550	543,583
Receipts in advance		787,904	870,489
Trade creditors		-	-
Other		4,596,194	3,618,809
<b>Total Short Term Creditors</b>		<b>6,562,294</b>	<b>6,571,559</b>

**17b Long Term Creditors**

Long Term Creditors		2016/17	2015/16
Other creditors falling due after more than one year		£	£
Government Departments		-	-
Other Councils		-	-
Public corporations and trading funds		-	-
Bodies external to general government		-	-
Rates clawback		-	-
Remuneration due to employees		-	-
Accumulated Absences		-	-
Receipts in advance		-	-
Trade creditors		-	-
Other		-	-
<b>Total Long Term Creditors</b>		<b>-</b>	<b>-</b>
<b>Total Creditors</b>		<b>6,562,294</b>	<b>6,571,559</b>

**17c Payment of Invoices**

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

During the year the Council paid 27,069 invoices totalling £45.5m, inclusive of VAT (2015/16 23,624 invoices totalling £50.6m). The Council has arrangements in place to calculate the interval from receipt of an invoice to payment date. The payment performance for 2016/17 was on average 20 days from receipt of invoice to payment (2015/16 29 days).

During 2016/17 the Council paid 22,524 invoices within 30 calendar days, 13,389 of which were paid within 10 working days. 4,545 invoices were paid outside 30 days. A number of these invoices were subject to query with the supplier.

**18 Provisions**

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

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

<b>Total</b>	<b>1,025,494</b>	<b>2,256,908</b>	<b>(345,722)</b>	<b>-</b>	<b>-</b>	<b>2,936,680</b>
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**Comparative Year**

Provisions	Balance as at 1 April 2015	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	Balance as at 31 March 2016
	£	£	£	£	£	£
Landfill closure	326,371	138,465	-	-	-	<b>464,836</b>
Claims management	300,000	100,000	-	(150,000)	-	<b>250,000</b>
Severance/Re-organisation	1,363,121	19,911	(1,086,589)	-	-	<b>296,443</b>
Other	113,697	11,109	(21,295)	(89,296)	-	<b>14,215</b>
<b>Total</b>	<b>2,103,189</b>	<b>269,485</b>	<b>(1,107,884)</b>	<b>(239,296)</b>	<b>-</b>	<b>1,025,494</b>

Current Provisions	1,390,380	131,020	(1,017,889)	(239,296)	-	<b>264,215</b>
Long Term Provisions	712,809	138,465	(89,995)	-	-	<b>761,279</b>

<b>Total</b>	<b>2,103,189</b>	<b>269,485</b>	<b>(1,107,884)</b>	<b>(239,296)</b>	<b>-</b>	<b>1,025,494</b>
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The Council has made provision for the after care costs arising from the closure of a landfill site of £455,201 (2015/16 £464,836), REFORM related severance costs of £1,297,052 (2015/16 £296,443), legal and special advices of £225,242 (2015/16 £250,000) in relation to on-going cases and £Nil (2015/16 £14,215) for on-going job evaluations. The Council has also provided £959k in relation to a clawback in rates income by Land & Property Services (LPS) as a result of a successful appeal by a ratepayer against the rateable value of their property for the period 2010/11 to 2014/15. (2015/16 £Nil)

**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 debtors and, as such, there is no additional estimated exposure to default and inability to collect.

Debtors of £797,462 included in Note 14 can be analysed by age as follows:

Debtors, inclusive of VAT, can be analysed by age as follows:		£
Less than three months		715,820
Three to six months		66,659
Six months to one year		15,522
More than one year		(539)
		<b>797,462</b>

### Liquidity Risk

The Council's net operating costs are funded through district rates and government grants. Capital expenditure is largely financed by borrowing from the Government Loans Fund. The Council is not therefore exposed to significant liquidity risk. The analysis of financial liabilities is included in notes 16 and 17. All trade and other payables are due for payment within one year.

### Market Risk

#### Interest rate risk

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

#### Foreign exchange risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no material exposure to loss arising from movements in exchange rates.

### Fair Value of Soft Loans and Government Loans

The Council is in receipt of loans from the Department of Finance, market loans and local authorities' loans at rates of interest that differ from the prevailing market rates. The fair value of these loans is £76,476,977 and are analysed as follows:

	£
Government Loans Fund	66,919,797
Market Loans	7,053,000
Local Authorities	2,504,180
<b>Total</b>	<b>76,476,977</b>

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 Local Government Pension Scheme (Northern Ireland)

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

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

### 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:

	Note	2016/17 £	2015/16 £
Net cost of services:			
Current service cost		3,915,000	4,138,000
Past service cost/(gain)		267,000	427,000
Gains and losses on settlements or curtailments		-	-
Net operating expenditure:			
Net Interest on net defined benefit Liability (asset)		509,000	665,000
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>		<b>4,691,000</b>	<b>5,230,000</b>
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(4,691,000)	(5,230,000)
Actual amount charged against the general fund balance for pensions in the year:			
Employers' contributions payable to scheme		3,512,187	3,542,900
<b>Net adjustment to General Fund</b>		<b>(1,178,813)</b>	<b>(1,687,100)</b>

The Current service cost includes an allowance for the administration expenses of £67k (2015/16 £51k).

**Remeasurements recognised in Other Comprehensive Income and Expenditure**

Remeasurements recognised in Other Comprehensive Income and Expenditure	Note	2016/17 £	2015/16 £
Liability gains/(losses) due to change in assumptions		(29,436,000)	7,201,000
Liability experience gains/(losses) arising in the year		(174,000)	819,000
Actuarial gains/(losses) on plan assets		17,364,000	(348,000)
Other - (if applicable)		226,813	345,100
<b>Total gains/(losses) recognised in Other Comprehensive Income and Expenditure</b>		<b>(12,019,187)</b>	<b>8,017,100</b>

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

Reconciliation of present value of the scheme liabilities:	Note	2016/17 £	2015/16 £
Balance as at 1 April		116,588,000	118,495,000
Current service cost		3,915,000	4,138,000
Interest cost		4,046,000	3,758,000
Contributions by members		1,059,000	1,042,000
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		29,436,000	(7,201,000)
Actuarial gains/losses arising from demographic changes		-	-
Actuarial gains/losses arising on liabilities from experience		174,000	(819,000)
Other (if applicable)		-	-
Past service costs/(gains)		267,000	427,000
Losses/(gains) on curtailments		-	-
Liabilities extinguished on settlements		-	-
Estimated unfunded benefits paid		(148,000)	(148,000)
Estimated benefits paid		(3,011,000)	(3,104,000)
<b>Balance as at 31 March</b>		<b>152,326,000</b>	<b>116,588,000</b>

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

Reconciliation of present value of the scheme assets:	Note	2016/17 £	2015/16 £
Balance as at 1 April		100,213,000	95,790,000
Interest Income		3,537,000	3,093,000
Contributions by members		1,059,000	1,042,000
Contributions by employer		3,591,000	3,740,000
Contributions in respect of unfunded benefits		148,000	148,000
Remeasurement gain/(loss)		17,364,000	(348,000)
Assets distributed on settlements		-	-
Unfunded benefits paid		(148,000)	(148,000)
Benefits paid		(3,011,000)	(3,104,000)
<b>Balance as at 31 March</b>		<b>122,753,000</b>	<b>100,213,000</b>

The actual return on scheme assets in the year was a gain of £20.9m (2015/16 £ 2.75m gain).



**Fair Value of Plan Assets**

Fair Value of Plan Assets	31/03/2017	31/03/2016
	£	£
Equity investments	91,450,985	72,053,000
Bonds	14,116,595	12,126,000
Property	12,889,065	13,228,000
Cash	3,191,578	2,305,000
Other	1,104,777	501,000
	<b>122,753,000</b>	<b>100,213,000</b>

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

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

	31/03/2017	31/03/2016
	£	£
Fair Value of Employer Assets	122,753,000	100,213,000
Present value of funded defined benefit obligation	(150,014,000)	(114,492,000)
Pension asset/(liability) of Funded Scheme	(27,261,000)	(14,279,000)
Present Value of unfunded defined benefit obligation	(2,312,000)	(2,096,000)
Other movement in the liability (asset) (if applicable)	-	-
<b>Net asset/(liability) arising from the defined benefit obligation</b>	<b>(29,573,000)</b>	<b>(16,375,000)</b>
Amount in the Balance sheet:		
Liabilities	(152,326,000)	(116,588,000)
Assets	122,753,000	100,213,000
<b>Net Asset/(Liability)</b>	<b>(29,573,000)</b>	<b>(16,375,000)</b>

**20d Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2018**

	31/03/2018	31/03/2018
	£	£
Projected current cost	5,611,000	88.6%
Net Interest on the net defined benefit liability (asset)	723,000	11.4%
Past service cost	-	0.0%
Gains and losses on settlements or curtailments	-	0.0%
	<b>6,334,000</b>	<b>100.0%</b>

The total contributions expected to be made to the Local Government Pension Scheme (Northern Ireland) (the scheme) by the Council in the year to 31 March 2018 is £3.4m.

## 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 2016.

Long-term expected rate of return on assets in the scheme:	2016/17	2015/16
	%	%
Equity investments	74.5%	71.9%
Bonds	11.5%	12.1%
Property	10.5%	13.2%
Cash	2.6%	2.3%
Other	0.9%	0.5%
<b>Mortality assumptions:</b>		
<i>Longevity at 65 current pensioners:</i>	<b>Years</b>	<b>Years</b>
Men	23.2	22.3
Women	25.8	24.8
<i>Longevity at 65 for future pensioners:</i>		
Men	25.4	24.5
Women	28.1	27.2
Inflation/Pension Increase Rate	2.00%	1.80%
Salary Increase Rate	3.50%	3.30%
Discount Rate	2.60%	3.50%
Pension accounts revaluation rate	2.00%	1.80%
<b>Take-up of option to convert annual pension into retirement lump sum:</b>		
Service to April 2009	75%	75%
Service post April 2009	75%	75%

## 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 2017 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.

<b>Discount Rate Assumption</b>		
	<b>+0.1%p.a.</b>	<b>-0.1%p.a.</b>
Adjustment to discount rate		
Present value of the total obligation	147,000,000.00	153,089,000.00
% change in the present value of the total obligation	-2.00%	2.00%
Projected service cost	544,400.00	5,782,000.00
Approximate % change in projected service cost	-3.00%	3.10%

<b>Rate of General Increase in Salaries</b>		
	<b>+0.1%p.a.</b>	<b>-0.1%p.a.</b>
Adjustment to salary increase rate		
Present value of the total obligation	150,938,000	149,100,000
% change in the present value of the total obligation	0.60%	-0.60%
Projected service cost	5,611,000.00	5,611,000.00
Approximate % change in projected service cost	0.00%	0.00%

<b>Rate of Increase to Pensions in Payment and Deferred Pension Assumption</b>		
Adjustment to pension increase rate	<b>+0.1%p.a.</b>	<b>-0.1%p.a.</b>
Present value of the total obligation	152,155,000.00	147,906,000.00
% change in the present value of the total obligation	1.40%	-1.40%
Projected service cost	5,782,000.00	5,444,000.00
Approximate % change in projected service cost	3.10%	-3.00%

<b>Post Retirement Mortality Assumption</b>		
Adjustment to mortality age rating assumption*	<b>- 1 Year</b>	<b>+1 Year</b>
Present value of the total obligation	154,402,000.00	145,651,000.00
% change in the present value of the total obligation	2.90%	-2.90%
Projected service cost	5,808,000.00	5,415,000.00
Approximate % change in projected service cost	3.50%	-3.50%

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

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

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

	31/03/2017		31/03/2016
	%	%	
Equity investments	74.50%		71.90%
Government Bonds	5.40%		5.70%
Corporate Bonds	6.10%		6.40%
Property	10.50%		13.20%
Cash	2.60%		2.30%
Other	0.90%		0.50%

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.

## 20h The Northern Ireland Civil Service Pension

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Council is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DFP Superannuation and Other Allowances Resource Accounts as at 31 March 2017.

## 21 Donated Assets Account

Donated Assets Account	Note	2016/17 £	2015/16 £
Opening balance		-	-
Add: new donated assets received (condition of use not met)		-	-
Less: amounts released to the District Fund - Comprehensive Income and Expenditure Account		-	-
		-	-

### Analysis of Donated Assets Account

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

## 22 Capital Grants Received in Advance

Capital Grants Received in Advance	Note	2016/17 £	2015/16 £
Opening balance		-	500,000
Add: new capital grants received in advance (condition of use not met)		-	-
Less: amounts released to the Comprehensive Income and Expenditure Statement		-	(500,000)
		-	-

### Analysis of Capital Grants Receipts in Advance Balance

The balance of Capital Grants Receipts in Advance represents grants received that have yet to be recognised as income i.e. they have conditions attached to them, which will require the grant to be repaid, if those conditions are not met. There was a nil balance at the year end.

## 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 Antrim and Newtownabbey Borough Council has agreed its share of the contingent liability. Payments made, if any, in accordance with this undertaking will be funded by the Participant Councils. No further information on this agreement can be disclosed due to the commercial sensitivity of the procurement process.

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

A ratepayer was successful in appealing against Land & Property Services the rateable value of their property for the period 2010/11 to 2014/15. A provision of £959k has been made (note 18). The ratepayer has also submitted a challenge to their rateable value from 1 April 2015, however the Council is not in a position to reliably estimate further outstanding liabilities that may arise if this challenge is upheld.

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

Adjustment to surplus or deficit on the provision of services for noncash movements	Notes	2016/17	2015/16
		£	£
Depreciation	10	6,172,079	6,186,055
Impairment & downward revaluations (& non-sale	10	(3,338,436)	(7,944,048)
Amortisation (included with depreciation above)		-	59,000
(Increase)/Decrease in Stock		(19,102)	(16,351)
(Increase)/Decrease in Debtors		2,047,063	4,324,965
Increase/(decrease) in impairment provision for bad debts		26,438	-
Increase/(Decrease) in Creditors		1,525,241	300,433
Increase/(Decrease) in Interest Creditors		(44,069)	-
Payments to NILGOSC	20	1,178,813	1,687,100
Carrying amount of non-current assets sold	10	374,045	919
AIC/WIP written off to Net Cost of Services	10	-	-
Contributions to Other Reserves/Provisions		-	-
Movement in value of investment properties-included above in Impairment & downward revaluations (& non-sale derecognitions)		-	-
Amounts posted to Comprehensive Income and Expenditure Statement from Donated Assets Account	21	-	-
		7,922,072	4,598,073

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	Notes	2016/17	2015/16
		£	£
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from the sale of PP&E, investment property and intangible assets		(416,800)	-
Capital grants included in "Taxation & non-specific grant income"		(812,021)	(1,078,471)
		(1,228,821)	(1,078,471)

**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:

	2016/17	2015/16
	£	£
Cash and Bank balances	2,913,668	2,964,394
Short Term Deposits (considered to be Cash Equivalents)	-	-
Short Term Investments (considered to be Cash Equivalents)	-	-
Bank Overdraft	-	-
	<b>2,913,668</b>	<b>2,964,394</b>

**24c Cash Flow Statement-Operating Activities**

Cash Flow Statement: Operating Activities		2016/17	2015/16
		£	£
The cash flows from operating activities include:			
Interest received		(22,712)	(38,653)
Interest paid		3,078,840	3,423,914

**24d Cash flows from Investing Activities**

Cash flows from Investing Activities		2016/17	2015/16
		£	£
Purchase of PP&E, investment property and intangible assets		(3,366,282)	(8,906,904)
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		416,800	-
Proceeds from Short Term Investments (not considered to be cash equivalents)		-	-
Proceeds from Long Term Investments		-	-
Capital Grants and Contributions Received		518,810	(438,919)
Other Receipts from Investing Activities		-	-
<b>Net Cash flows from Investing Activities</b>		<b>(2,430,672)</b>	<b>(9,345,823)</b>

**24e Cash flows from Financing Activities**

<b>Cash flows from Financing Activities</b>		<b>2016/17</b>	<b>2015/16</b>
		£	£
Cash Receipts from Short and Long Term Borrowing		2,500,000	3,000,000
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		(6,329,929)	(6,144,993)
Other payments for Financing Activities		-	-
<b>Net Cash flows from Financing Activities</b>		<b>(3,829,929)</b>	<b>(3,144,993)</b>

**25a Capital Receipts Reserve**

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

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

Capital Receipts Reserve	Notes	31/03/2017	31/03/2016
		£	£
<b>At 1 April</b>		-	-
<b>Movement</b>			
Transfers between statutory & other reserves & the General Fund		-	-
Disposal of Non Current Assets/ Capital Sales	3, 24a	416,800	-
Capital Receipts used to finance capital expenditure	3, 11	-	-
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		-	-
Other Movements		-	-
<b>At 31 March</b>		<b>416,800</b>	<b>-</b>

**25b Capital Grants Unapplied account**

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

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

Capital Grants Unapplied account	Notes	31/03/2017	31/03/2016
		£	£
<b>At 1 April</b>		37,050	2,794,168
<b>Movement</b>			
Unapplied Capital Grants received in year		164,151	37,050
Unapplied Capital Grants transferred to Capital Adjustment Account in year		(24,854)	(2,794,168)
<b>At 31 March</b>		<b>176,347</b>	<b>37,050</b>



**25c Capital Fund**

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

Capital Fund	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		1,216,216	3,202,765
Transfers between statutory & other reserves & the General Fund		-	13,451
Transfers between Capital Fund & Capital Adjustment Account to finance Capital Expenditure	11	(1,216,216)	(2,000,000)
<b>At 31 March</b>		<b>-</b>	<b>1,216,216</b>
		£	£
Gateway Project		-	1,216,216
<b>Total</b>		<b>-</b>	<b>1,216,216</b>

**25d Renewal and Repairs Fund**

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

Renewal and Repairs Fund	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		848,075	261,975
Transfers between statutory & other reserves & the General Fund		-	586,100
Transfers between Renewal & Repair Fund & Capital Adjustment Account to finance Capital Expenditure	11	-	-
<b>At 31 March</b>		<b>848,075</b>	<b>848,075</b>
		£	£
DEA Projects		484,000	350,000
Branding		80,000	80,000
Planned Maintenance Programme		134,000	80,000
General		150,075	338,075
<b>Total</b>		<b>848,075</b>	<b>848,075</b>

**25e Other Balances & Reserves**

Other Balances & Reserves	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		1,056,003	3,418,980
Transfers between statutory & other reserves & the General Fund		(24,061)	(18,535)
Transfers between Capital Fund/Renewal & Repair Fund & Capital Adjustment Account to finance capital expenditure	11	-	(2,344,442)
<b>At 31 March</b>		<b>1,031,942</b>	<b>1,056,003</b>

**25f General Fund**

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

General Fund	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		7,892,886	6,053,191
Applied Capital Grants	3	(647,870)	(1,078,471)
Unapplied Capital Grants received in year	3	(164,151)	(37,050)
Direct Revenue Financing	3, 11	-	-
Depreciation and Impairment adjustment	3	2,833,643	(1,757,993)
Statutory Provision for financing Capital Investment	3	(5,424,969)	(4,494,308)
Net Revenue expenditure funded from capital under statute	3, 11	87,521	131,446
Net Revenue expenditure funded from capital under direction	3, 11	1,643,332	1,169,662
Surplus/(Deficit) on the Provision of Services	CIES	(483,376)	6,446,549
Transfers between Statutory and Other Reserves and the General Fund	3	24,061	(581,016)
Net movements on Pension Reserve	3, 20	1,178,813	1,687,100
Disposal of Fixed Assets/Capital Sales	3, 10	(42,755)	919
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	3	(224,033)	352,857
Other Movements		-	-
<b>At 31 March</b>		<b>6,673,102</b>	<b>7,892,886</b>

**25g Capital Adjustment Account**

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

Capital Adjustment Account	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		76,394,362	62,553,305
Applied Capital Grants	3	647,870	1,078,471
Unapplied Capital Grants transferred to Capital Adjustment Account in year		24,854	2,794,168
Direct Revenue Financing	3, 11	-	-
Depreciation & Impairment adjustment	10	(2,833,643)	1,757,993
Statutory Provision for financing Capital Investment	3	5,424,969	4,494,308
Net Revenue expenditure funded from Capital under statute	3, 11	(87,521)	(131,446)
Net Revenue expenditure funded from Capital under direction	3, 11	(1,643,332)	(1,169,662)
Disposal of Fixed Assets/ Capital Sales	3, 10	(374,045)	(919)
Capital Receipts used to finance capital expenditure	3, 11	-	-
Other Movements		1,234,280	673,702
Transfers between Capital Fund/Renewal & Repair Fund & Capital Adjustment Account to finance capital expenditure	11	1,216,216	4,344,442
<b>At 31 March</b>		<b>80,004,010</b>	<b>76,394,362</b>

**25h Financial Instruments Adjustment Account**

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

**25i Revaluation Reserve**

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

Revaluation Reserve	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		34,624,983	34,002,155
Revaluation & Impairment	10, 20	1,930,999	1,296,530
Other Movements		(1,234,280)	(673,702)
<b>At 31 March</b>		<b>35,321,702</b>	<b>34,624,983</b>

**25j Available-for-Sale Financial Instruments Adjustment Reserve**

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

**25k Pension Reserve**

Pension Reserve	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		(16,375,000)	(22,705,000)
Net Movements on Pension Reserve	3, 20	(1,178,813)	(1,687,100)
Revaluation & Impairment	20	(12,019,187)	8,017,100
<b>At 31 March</b>		<b>(29,573,000)</b>	<b>(16,375,000)</b>

**25l Deferred Capital Receipts Account**

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

**25m Accumulated Absences Account**

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

Accumulated Absences Account	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		(543,583)	(190,726)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		224,033	(352,857)
<b>At 31 March</b>		<b>(319,550)</b>	<b>(543,583)</b>

**25n Rates Claw Back Reserve**

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

**26 Significant Trading Operations**

The Council does not have any significant trading operations.

**27 Agency Services**

The Council does not provide any agency services.

## **28 Related Party Transactions**

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

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

In addition where the relationship with the Council and the entity is solely that of an Agency (see note 27) 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 £30,702 (2015/16 £13,077) of which £790 (2015/16 £Nil) was owed by the Council to a company, partnership, trust or entity which generated a related party transaction in which a council member had a controlling interest.

During the year the council paid £17,836 (2015/16 £7,569) for services provided by a member of the close family of a Council Member. During the year the council received £nil (2015/16 £nil) for council services by a member of the close family of a Council Member.

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

### **Chief officers**

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

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

## Other

The Council nominated three councillors to the arc21 Waste Management Plan Joint Committee. The Council contributed £4,500,841 (2015/16 £4,707,720) towards procurement of goods and services and administration costs during the year of which £18,724 (2015/16 £100,045) was owed by the Council at 31 March 2017. The Council received £103,961 (2015/16 £128,413) in respect of an income share arrangement with a further £25,802 (2015/16 £35,913) outstanding at 31 March 2017.

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

Remuneration Report	Page 20-25
District Rates	Note 9d

## 29 Prior Year Adjustment

The Transferred Function Grant of £851,391 as previously reported in the 2015/16 Financial Statements, was included within Taxation and Non-Specific Grant Income, Note 9. The 2015/16 figures have been restated from £49,040,086 to £48,188,695 and the prior year figures in the Comprehensive Income and Expenditure Statement (CIES) for the related service have been restated. There has been no impact in the General Fund or Balance Sheet.

For 2016/17 the Transferred Function Grant has been included in the Cost of Services on Continuing Operations.

## 30 Events after the Reporting Period

The Financial Statements approved on 20 June 2017 have been adjusted as a consequence of notification from Land and Property Services (LPS) in September 2017 that a ratepayer in the Borough has successfully appealed the rates valuation for their property for the period 2010/11 to 2014/15. This appeal decision will result in a clawback in rates income by LPS, estimated at £959k. This has been included as a provision in these financial statements (note 18). As a result, the Council's surplus on the provision of services of £476k has reduced to a deficit of £483k and the General Fund decreased from £7.63m to £6.67m.

## Date for authorisation of issue

The Chief Financial Officer authorised these financial statements for issue on 29 September 2017.

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

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

#### Bequest Account No 1

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

#### Bequest Account No 2

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

#### Bequest Account No 3

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

Bequest Account balances as at:

	<b>31 March 2017</b> <b>£</b>
Bequest Account No 1	78
Bequest Account No 2	2,321
Bequest Account No 3	380
	<b>2,779</b>

### Mayor's Charitable Fund

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

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

Mayor's Charitable Fund as at:

	<b>31 March 2017</b> <b>£</b>
Mayor's Charitable Fund	5,435
	<b>5,435</b>

