



# Statement of Accounts 2018-2019

Realising our potential

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## **Narrative Report**

### **Introduction**

The Council's financial performance for the year ended 31st March 2019 is as set out in the Comprehensive Income and Expenditure Statement and its financial position is as set out 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 for the year ended 31st March 2019 (the Code) and the Department for Communities Accounts Direction, Circular LG 12/2019. It is the purpose of this foreword to explain, in an easily understandable way, the financial facts in relation to the Council.

This Statement of Accounts explains Mid and East Antrim Borough Council's finances during the financial year 2018/19 and its financial position at the end of that year. It follows approved accounting standards and is necessarily technical in parts.

The purpose of the Narrative Report is to provide information on the authority, its main objectives and strategies and the principal risks it faces.

### **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. Mid and East Antrim Borough Council does not have material interests in such bodies and accordingly is not required to prepare group financial statements.

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

This Statement, as set out on page 39, shows the movement in the year on the different reserves held by Mid and East Antrim Borough Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Deficit on the provision of services line shows the true economic cost of providing Mid and East Antrim Borough Council's services, more details of which are shown in the Comprehensive Income and Expenditure Summary (CIES). These are different from the statutory amounts required to be charged to the General Fund Balance. The 'Net increase before transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by Mid and East Antrim Borough Council.

### **The Comprehensive Income and Expenditure Statement**

This statement, as set out on page 38, 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. Authorities 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 40, shows the value as at the Balance Sheet date of Mid and East Antrim Borough Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. 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 shows the changes in cash and cash equivalents of Mid and East Antrim Borough Council during the reporting period. The statement shows how Mid and East Antrim Borough 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 Mid and East Antrim Borough Council are funded by way of taxation and grant income or from the recipients of services provided by Mid and East Antrim Borough Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to Mid and East Antrim Borough 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.

## **Performance Report**

For the year ended 31 March 2019 the Council increased its General Fund by £106,297 to £4,200,734. The Council's budget of £63.4m was supplemented by £2.4m for prior year finalisation payment of district rates and a clawback of £0.4m Industrial Derating Grant. The total net expenditure reported in the Comprehensive Income and Expenditure Statement is £68.2m and includes an allocation to the pension capital fund of £0.28m, £0.7m to the Capital Fund and £0.3m to other funds.

Councils Performance Data is reported against each of the 5 strategic priorities contained within the Corporate Plan

1. Growing the Economy
2. Developing our Tourism Potential
3. Building Stronger, Safe and Healthy Communities
4. Delivering Excellent Services
5. Developing a high performing Council



The key performance data for each are as follows:

#### Growing the Economy

Indicator	Target	Actual Performance
Number of jobs promoted through business start-up	85	124
Average processing time of major planning applications	30 weeks	43.2 weeks *
Average processing time of local planning applications	15 weeks	7.8 weeks *
Percentage of enforcement cases processed within 39 weeks	70%	88.2% *

\*based on Planning Service figures April-December 2018.

#### Developing our Tourism Potential

Indicator	Target	Actual Performance
Number of overnight visitor trips	Achieve an increase on 2016 actual figures of 301,768	296,441
Number of business led clusters developed	2	3

### Building Stronger, Safe and Healthy Communities

Indicator	Target	Actual Performance
Number of parks and green spaces awarded Green Flag Status	8	8
Percentage of household waste collected by Council that is sent for recycling	50% by 2020	52.01% #
Tonnage of Biodegradable local authority collected municipal waste sent to landfill	17,451 tonnes	14,448 tonnes #

# The final waste figures for 2018/19 will be audited and publicly released by NIEA on the 1st December 2019. They can be used as a strong indicator of performance and are unlikely to change, but cannot be published anywhere in advance of their release by NIEA.

### Delivering Excellent Services

Indicator	Target	Actual Performance
Percentage of formal complaints responded to promptly (in line with policy)	70%	81.5%

### Developing a High Performing Council

Indicator	Target	Actual Performance
% of invoices paid within 30 working days	80%	82.80%
District Fund Balance	5 – 7.5% of net operating expenditure	6.20%
Absenteeism	15 days	14.05 days
Health and Safety Accidents	56	36

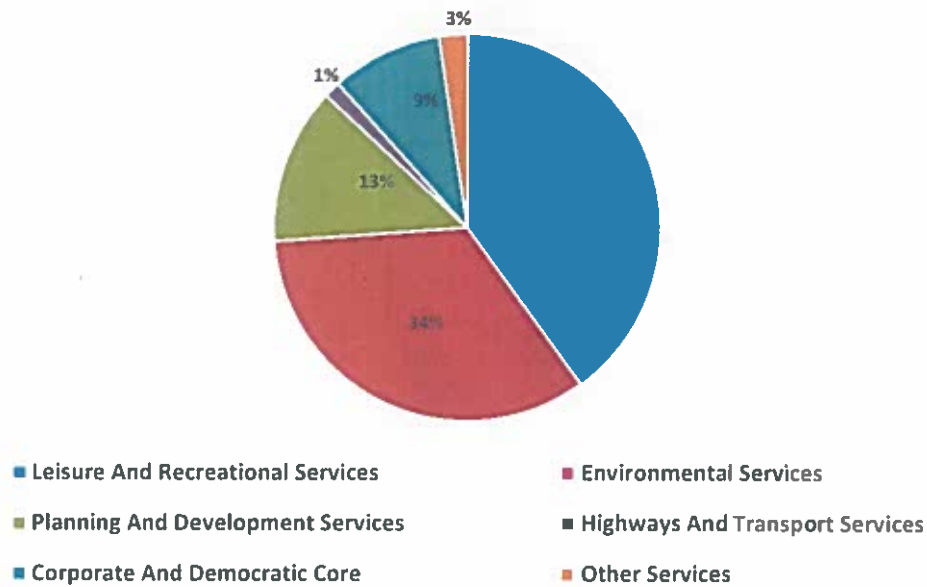
### Expenditure and Funding Analysis

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

The Council's budget for 2018/19 is £63.4 million, with £45.7 million generated through domestic and non domestic rates. The remaining £17.7m is generated through a combination of grants and other income from Council activities. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The majority of Council expenditure continues to be centred on Leisure and Recreation Services and Environmental Services.

### 2018/19 Budgeted Expenditure



#### Capital Investment

Council has worked with the community to deliver capital projects across the Borough and attract the maximum amount of funding to the Borough.

Since the inception of Mid and East Antrim Borough Council in 2015 a number of significant projects have been delivered for the benefit of the community and in line with the strategic objectives. These include:

1. **Public Realm Schemes** in Ballymena and Larne have been completed in conjunction with the Department for Communities.
2. **ECOS** has been repaired and refurbished to facilitate accommodation for business start-ups in conjunction with Catalyst Inc.
3. **Harryville Community Centre** and changing pavilion is complete and operational.
4. Damage to **The Gobbins** path was repaired and the facility reopened during the summer of 2017. Phase II of the planned development at the iconic attraction was also completed and the site re-opened to the public in April 2018.
5. A new **Citizen's Advice Bureau** facility at Carrickfergus Civic Centre was designed and delivered in 2018.
6. A new **play park at Carnlough** has been developed and is open to the public.
7. **Summerfield Bridge at ECOS**, which had been closed to the public, was replaced and is now operational.
8. Play areas at **Tullygarley and Drumtara** have been delivered and are open to the public.
9. **Portglenone Community Centre** underwent a complete refurbishment and extension.
10. Pitch improvements were completed at **Ballymena Showgrounds**.

From April 2015 Mid and East Antrim Borough Council has calculated that it has levered in £93.4m in additional external capital investment funding.

**Organisational overview and external environment**

On 1st April 2015 Mid and East Antrim Borough Council was established by the Local Government Act (Northern Ireland) 2014. The new authority included the legacy councils of Ballymena, Carrickfergus and Larne, the Planning Service for the geographic area, a significant number of car parks and various economic development responsibilities.

One of the first decisions for the newly formed Council was to agree the Councils first Corporate Plan.

The 40 Elected members of Mid and East Antrim Borough Council adopted the vision "**Mid and East Antrim : Working together to create a better future for all**". This vision underpinned the agenda for a challenging and ambitious Corporate Plan for the 4 years 2015-19 setting the direction for Mid and East Antrim Borough Council up to March 2019.

On 2nd May 2019 local council elections were held to elect a new Council for the next 4 years.

On 28 May 2019 the newly elected Council adopted a 4 year Corporate Plan for the years 2019-23. The new vision of the Corporate Plan is aligned with the "Putting People First" Community Plan 2017 – 32. "**Mid and East Antrim will be a strong, vibrant, safe and inclusive community, where people work together to improve the quality of life for all**".

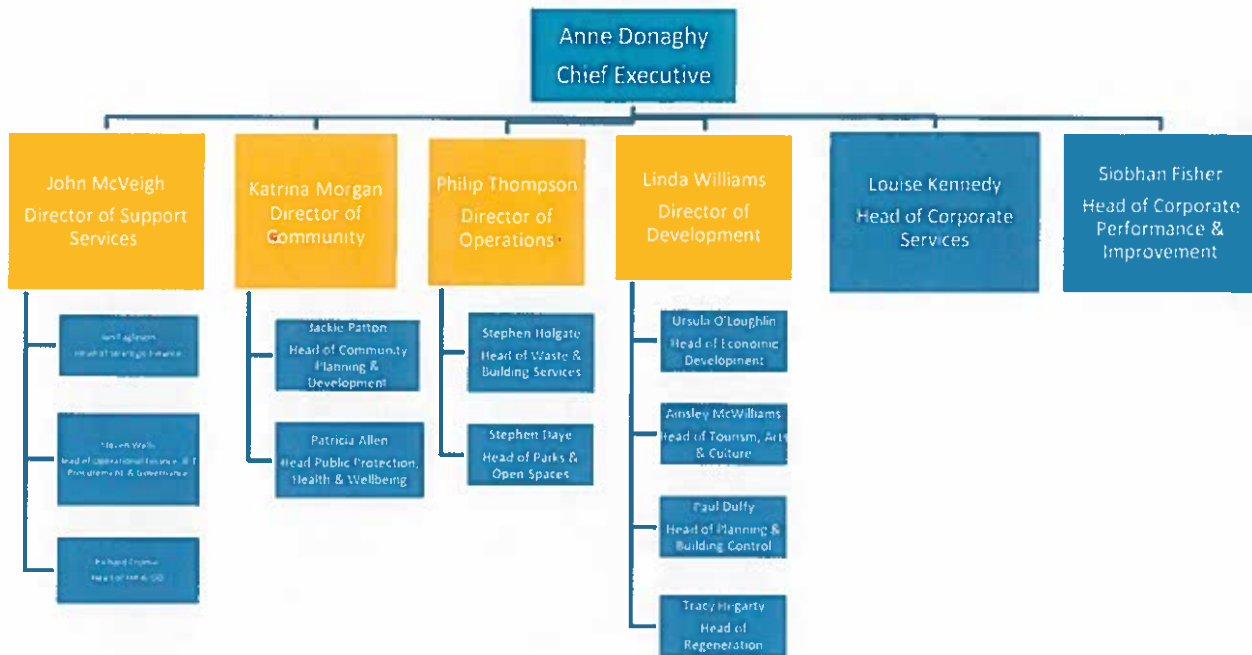
**Mid and East Antrim Borough Council's Committee governance structure is set out below:-**

<b>Meeting</b>	<b>Membership</b>
Full Council	All 40 Elected Members
Audit and Scrutiny Committee	8 Elected Members 1 Independent Member
Community Planning Committee	20 Elected Members
Economic Growth & Tourism Committee	20 Elected Members
Operational Committee	20 Elected Members
Planning Committee	12 Elected Members
Policy and Resources Committee	20 Elected Members

All Committee Places were allocated to political parties at the Annual General Meeting on a proportional basis using the provisions contained within Schedule 2 of the Local Government Act (Northern Ireland) 2014 (i.e. Quota Greatest Remainder).



The Management structure of the Organisation is as set out below



### Governance

A full report and analysis of the governance arrangements for the Council is contained within the attached Annual Governance Statement. During the year there were no significant changes or issues around governance.

### Operational model

During the year the Council carried out a review and realignment of its Departments. Following the realignment process the Council approved a reduction from 13 to 12 Departments and the addition of 1 Directorate. These changes took effect after 31 March 2019.

### Risks and opportunities

The Council manages risk through the identification of corporate and service risks within risk registers. These are reviewed regularly.

The corporate risks identified in 2018/19 are set out below.

- 1 Delay in transformation of Council Services due to lack of requisite skills and experience within Council Structures
- 2 Delay in implementation of the Community Plan due to lack of engagement by strategic partners

- 3 Uncertainties around the opportunities and threats provided by BREXIT
- 4 Inability to maximise investment opportunities whilst maintaining Council's governance processes
- 5 Challenge of ensuring that implementation of the Economic Development and Growth Strategy addresses the economic needs of the Borough
- 6 Pressure on Council service delivery due to decreasing funding streams and the impact on setting an affordable rate
- 7 Challenge of delivering an extensive Capital Plan within the time constraints and available resource
- 8 Challenge of effective corporate communication
- 9 Challenge of implementing a Property Asset Management Strategy for Mid and East Antrim
- 10 Inability to deliver an optimum solution for strategic key sites within Mid and East Antrim e.g. St Patrick's Barracks, Michelin, Glenarm, etc.

The above risks were reviewed during the year, updated, amended and adopted via the Audit and Scrutiny Committee.

The Council continues to monitor the manufacturing and electricity production sectors within the local economy which faces significant competition and structural change. The potential negative impact on the wider economy is material as is the loss of non-domestic rates to the Council. The Council is actively engaged with leading organisations in these sectors.

The Council has established clear priorities on economic development, jobs growth and tourism development and is working closely with public agencies and the private sector to develop manufacturing opportunities. In particular the Council is

- Participating in the Belfast Regional City Deal
- Working through the Amplify Integrated Development Strategy
- Developing the former Michelin site and the former St Patrick's Barracks
- Progressing the case for a Heathrow Hub site in the Borough
- Progressing a spatial development framework for Glenarm, and
- Developing new tourism initiatives

### **Strategy and resource allocation**

The following strategies set out the direction over the medium term of Council

- AMPLIFY Integrated Economic Development Strategy
- Tourism Strategy
- Community Planning Strategy
- Asset Management Strategy
- Car Park Strategy
- "Out to Play" strategy
- Business Improvement and Efficiency Strategy
- Digital Transformation Strategy
- Outdoor Recreation Strategy

- Good Relations Strategy
- Treasury Management Strategy
- Medium Term Finance Strategy

### **Outlook**

In October 2018 the Chancellor of the Exchequer announced a financial package of £350m support to a Belfast Regional City Deal. On 26 March 2019 the Secretary of State for Northern Ireland with the Belfast City Regional Deal partners and the Northern Ireland Civil Service signed the Heads of Terms for the City Deal. As a key member of the 6 strong council group in the regional city deal, Mid and East Antrim is progressing 3 projects which will secure significant external investment through the funding package. These projects are the Carrickfergus Regeneration and Investment Programme, the next phase of the Gobbins Path visitor attraction and an Innovation Centre for Ballymena. The investment programme is expected to last approximately 10 years.

Concerns emerged in 2018/19 regarding the future of 2 power stations located within the Borough. The prospects for the facilities have improved recently following the awarding of new contracts from the System Operator for Northern Ireland. The Council will continue to engage with the owners of the power stations and Land and Property Services. Council will also continue to monitor the electricity sector in order to assess the impact of any future changes and to plan accordingly.

### **Basis of preparation**

The financial statements are prepared on a going concern basis. There were no material events after the reporting date. There were no material or unusual changes or credits in the accounts in the year. There were no material disposals during the year. The Council has a number of funds in place to address specific contingencies. The Council will continue to monitor the economic climate and plan accordingly.

## **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 a council shall make arrangements for the proper administration of its financial affairs. A council shall designate an officer of the council as its chief financial officer and these arrangements 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 the Chief Executive on 24th September 2019.

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

Under Regulation 8 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.

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 that are up-to-date, and
- take reasonable steps for the prevention and detection of fraud and other irregularities.

## **ANNUAL GOVERNANCE STATEMENT**

### **Scope of Responsibility**

Mid and East Antrim Borough Council ('the 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.

Mid and East Antrim Borough Council also has a duty under Local Government (Best Value) Act (Northern Ireland) 2002 to make arrangements for continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

The Council is required to prepare an Annual Governance Statement which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. This statement explains how the Council meets the requirements of Regulation 4 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, in relation to the publication of a statement on internal control.

### **The Purpose of the Governance Framework**

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

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

The governance framework has been in place at the local authority for the year ended 31 March 2019 and up to the date of approval of the financial statements.

## The governance framework

The key elements of the systems and processes that comprise the local authority's governance arrangements include arrangements for:

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

Mid and East Antrim Borough Council agreed its first Corporate Plan 2015-2019 prior to Council commencing the implementation of its full legal duties on 1 April 2015. The Corporate Plan is a statement of Council's intent, describing Council's aims and ambitions over a four year period and how Council will achieve its vision of "Mid and East Antrim: Working together to create a better future for all".

With new responsibilities and a broader range of powers, combined with a partnership approach, Mid and East Antrim Borough Council will be stronger, more effective and flexible to local need, always being focused on our citizens. Council fully recognise that in the current economic climate it is even more important to make every penny count and account for every penny. That is what our citizens expect and that is what they deserve. Mid and East Antrim Borough Council will focus on delivering excellent services and value for money services.

The Corporate Plan will bring together the key priorities of all public service across Mid and East Antrim to ensure that public resources are used to the best effect and in line with citizen need. Council have agreed five integrated strategic priorities to deliver its vision of working together to create a better future for all.

1. Growing the Economy;
2. Developing Our Tourism Potential;
3. Building Stronger, Safe and Healthy Communities;
4. Delivering Excellent Services; and
5. Developing a High Performing Council.

Council have established seven corporate values, which will support Council to R.E.A.L.I.S.E its vision. The values are:

- Respect
- Excellence
- A teamwork approach
- Leadership and commitment
- Integrity
- Service innovation
- Equality and fairness

Council have developed a new Corporate Plan for the period 2019-2023 which will be presented to Council for approval in May 2019 following the conclusion of the Local Government Elections.

The Draft Corporate Plan 2019-2023 has been the culmination of a series of activities that have taken place over the last fifteen months. Council has been provided with regular updates on progress throughout the process of development of the new Corporate Plan.

In developing the new Corporate Plan, Mid and East Antrim Borough Council has taken the following approach:

- A desktop review of the key Themes emerging from the Community Plan;
- In January, September and December 2018, Elected Members and Senior Management engaged in workshops to develop Plan content;
- A Household Survey of residents was conducted on behalf of Council by an independent external research organisation during September 2018. A representative sample of 775 residents across the Borough took part in face-to-face interviews to enable an assessment of resident satisfaction to be made and to establish resident's priorities for Council's new Corporate Plan.

- In October 2018, consultation was undertaken with residents, community groups and local businesses via Council's Connections magazine/online survey which invited these key stakeholder groups to have their say on Council's proposed vision, themes and priorities;
- In August, September and November 2018, Council staff participated in workshops to develop the new strategic themes and key performance indicators;
- Between the 17th January and 19th March 2019, an 8-week public consultation was held on a Consultation Document for both the new Corporate Plan 2019-2023 and the Performance Improvement Plan for 2019/20; and
- The Corporate Plan 2019-2023 was Equality and Rural-proofed.

- **Reviewing local authority's vision and its implications for Council's governance arrangements**

In accordance with the agreed governance arrangements in place, Council monitor and review the Corporate Plan on a six monthly basis. These reports provide progress updates for Council in relation to the key achievements and delivery of the five strategic priorities and their associated objectives as set out in the Corporate Plan.

The six monthly Corporate Plan progress reports were reported to Full Council in June 2018 and December 2018.

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

One of the key Strategic priorities contained within the Council's Corporate Plan is that of "Delivering Excellent Services". An objective under this strategic priority is to establish measurable service standards which will demonstrate Council's commitment to the provision of high quality, effective yet value for money services.

The measurement of quality of service for users is undertaken in the form of Directorate and Departmental Business Plans, which are submitted to the relevant Council Committees for noting. Directorate Business Plans are monitored and scrutinised by Audit and Scrutiny Committee in terms of performance. During 2018/19, Council developed Directorate and Departmental Business Plans, which are based on delivering efficient, effective and value for money services, in line with customer need.

Directorate and Departmental Business Plans including performance updates demonstrate clear linkage to the Corporate Plan. The Business Plans and performance updates were reviewed annually and monitored by the Chief Executive, Directors and Heads of Service.

As part of the development of Council's Community Plan, considerable community consultation has taken place in relation to the Quality of Life Indicators.

Councillor - Senior Officer engagement is a critical element in ensuring that service delivery meets the requirements of ratepayers.

Council financial performance is assessed through regular budget meetings and is reported to Council periodically. Value for money auditing is also considered by both Internal and External Audit when conducting their programme of reviews.

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

Council fulfils its function by way of Full Council meetings and six standing Committees. Committee places are allocated proportionately to political parties using the quota greatest remainder method as prescribed by the Local Government (Northern Ireland) Act 2014. All Council and Committee decisions are recorded, minuted and available for public inspection.

The roles, responsibilities and order for the governance of Council is contained within Council's Constitution (last revised October 2017) and Standing Orders (last revised March 2019). All Councillors and Directors are issued with a copy of the Council's Standing Orders. Council have established a Scheme of Delegation (last reviewed March 2019), which details the decision making powers delegated by Full Council to Committees and Senior Officers. Council also has a range of other procedures and protocols in place to ensure roles are adequately defined. For example, Protocol for the operation of the Planning Committee, Protocol for the establishment of Working Groups.

The Chief Executive is the head of the paid officers of Council. She is responsible and accountable to the Council for all aspects of Council functions including Support Services.

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

The Local Government Act (Northern Ireland) 2014 introduced an ethical standards framework for local government. A key element of the ethical standards framework was the introduction of a mandatory Northern Ireland Local Government Code of Conduct for Councillors, which imposes a requirement for Councillors to observe the Code and establishes mechanisms for the investigation and adjudication of written complaints that a Councillor has failed, or may have failed, to comply with the Code.

A number of policies and guidance documents have been established for Members to provide clarity on their roles in light of the Code of Conduct.

Council has adopted the Local Government Staff Commission Code of Conduct for Local Government employees and this was circulated to all officers.

Council have embedded a number of specific policies across the organisation, as guided by the employees Code of Conduct, including policies on harassment, equality and gifts and hospitality.

- **Reviewing the effectiveness of the authority's decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality**

Mid and East Antrim Borough Council has an agreed constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter for the Council to choose.

In conjunction with the constitution Council operate a Scheme of Delegation which provides the framework and guidance for the powers delegated by Full Council to Committees of Council and to senior Officers within Council. Council has the power to delegate certain decision-making under section 7 of the Local Government Act (Northern Ireland) 2014.

Council's Constitution and Scheme of Delegation are reviewed annually by Council.

Council has not entered into any new partnerships in 2018/19. Going forward the Council will review the Northern Ireland Audit Office publication "Making Partnerships Work - A Good Practice Guide for Public Bodies", published in April 2019, and will apply any relevant governance best practice.

Following the completion of the General Data Protection Regulation Compliance Project, Council introduced an Information Governance policy as the overarching information governance framework for the organisation, constituted the Information Governance Steering Group and appointed a Data Protection Officer. In 2018, Council's internal auditor conducted a review on its Information Governance performance which determined there was satisfactory assurance regarding the effective and efficient achievement of the Council's objectives.



- **Reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability**

Mid and East Antrim Borough Council is committed to managing risk on an organisation wide basis, and promotes this objective for the good of all our stakeholders, the public, employees, Elected Members and partners.

Council believes that the control of risk is an inherent function of management and demonstrates this by aligning risk ownership with Council's management structure. Council's Senior Management Team and Operational Management Team are responsible for achieving Mid and East Antrim Borough Council objectives, so are they responsible for managing the risks to those objectives.

Council has a Risk Management Strategy in place, which requires the identification of both Corporate and Service risks, assessment of impact and likelihood of those risks and the mitigating controls in place. Council has a Corporate Risk Register in place which is reviewed by the Senior Management Team on a regular basis and presented annually to Audit and Scrutiny Committee for review.

Council developed a suite of Service Risk Registers that encapsulate all key risks that have the potential to adversely impact the delivery of core Council services.

- **Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained**

Council have a Fraud Policy (last reviewed November 2016) in place, which was circulated to all staff and Elected Members. The Fraud Policy is also published on Council's website.

Council's Fraud Policy was activated once during 2018/19. The incident was reported to the relevant authorities under the Fraud Policy and Response Plan and fully investigated. A proportion of the sum lost in a creditor payment fraud has been recovered. The Audit and Scrutiny Committee are updated in relation to all fraudulent acts following the conclusion of the investigation.

Council have delivered a comprehensive suite of digital training modules to relevant staff of which online fraud and email phishing was a key component.

- **Ensuring effective management of change and transformation**

Council has developed a Digital Transformation Strategy which, over a 3 year period, will support the identification, scoping and delivery of a significant number of new systems which will see delivery of Council services moved progressively onto a digital platform. The costs of the Strategy are supported through a Transformation Fund created by Council and the Capital Plan. The Strategy is led by the Head of Digital Transformation, ICT, Procurement and Governance. Projects covered by the strategy are identified by the Operational Management Team.

In 2018, Council agreed a Transformation Programme which focuses on three main elements; Service Reviews, Digital Transformation and the Business Improvement and Efficiency Strategy (BIES). The overall Transformation Programme is led by and reported on by the Head of Corporate Performance & Improvement through the agreed governance arrangements to SMT and Audit & Scrutiny Committee on a quarterly basis. The Programme is supported by a Transformation budget.

To support business transformation a Service Review Framework was approved and implemented during 2018. This framework is premised on the core transformation principles of customer-focus, value for money, effectiveness and efficiency, excellence, innovation and a forward-looking organisation.

Digital Transformation delivers opportunities to work smarter while gaining necessary insight to support evidence-based decision-making. Digital innovation supports the delivery of Council's Business Improvement and Efficiency Strategy which features an initiative to create a foundation of reliable, resilient and secure ICT infrastructure and services; providing confidence in the adoption of new technologies.

Governance arrangements are in place for the Transformation Programme, including:

- On-going oversight and scrutiny by SMT and the Audit and Scrutiny Committee through the provision of quarterly reports; and
- Bi-annual progress reports to Council.

- **Ensuring the authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) and, where they do not, explain why and how they deliver the same impact**

The Chief Executive is also the Council's Chief Financial Officer, as outlined in Section 1 of the Local Government Finance Act (Northern Ireland) 2011. The Chief Financial Officer is charged with ensuring the lawfulness and financial prudence of decision-making, providing advice and guidance and ensuring that expenditure incurred was lawful.

Principle 5 of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government: Framework states that "The CFO in a local authority must be professionally qualified and suitably experienced". The Council's financial management arrangements do not comply with Principle 5 in this regard as the Council's designated Chief Financial Officer is not a professionally qualified accountant and the role of Chief Financial Officer and Chief Executive are not separate within the Council.

The arrangements in place are not considered to compromise the Council's financial management arrangements in any way as the Chief Financial Officer is supported by the Director of Support Services, a fully qualified accountant, ensuring that the decisions made by the Chief Financial Officer are based on sound technical knowledge and understanding. This arrangement complies with the current legislation in Northern Ireland - section 1 (2) of the Local Government Finance Act (Northern Ireland) 2011.

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

The Chief Executive is also the Council's Chief Financial Officer, as outlined in Section 1 of the Local Government Finance Act (Northern Ireland) 2011. The Chief Financial Officer is charged with ensuring the lawfulness and financial prudence of decision-making, providing advice and guidance and ensuring that expenditure incurred was lawful.

Financial regulations are contained in the Council's Finance Policy Manual. This has been approved by Council. They are made available to all staff through publication on Council's internal computer network drive and are updated and maintained within the Finance Department.

The Council's Human Resources and Organisational Development Department has appointed an appropriately qualified and experienced Corporate Health and Safety Manager who commenced in January 2019. The Corporate Health and Safety Manager ensures compliance with Health and Safety legislation and regulation through Policy and Procedures development, reviewing Risk Assessments, undertaking Inspections and audits, identifying training needs, reviewing the accidents reported and carrying out investigations making recommendations for continual improvement.

A Corporate Health and Safety Committee involving management and Trade Unions has been established and the first meeting took place in January 2018. This committee is concerned with matters of Policy and Procedures to ensure compliance as well as monitoring the health and safety risk management arrangements within the organisation.

Two Members of the Audit and Scrutiny Committee, usually the Chair and Vice Chair of the committee, attend the review of Council purchase ledger transactions, payroll transactions and treasury management transactions prior to each monthly meeting. The purpose of this activity is to allow payment to be recommended to the Full Council at the monthly Council meeting. Council retain the service of a solicitor for any legal guidance.

The internal audit function is outsourced and provides an independent opinion on compliance issues. Council's Internal Audit Service Provider was initially appointed for the period of 1 April 2015 to 31 March 2017 and successfully extended until 31 March 2019 in line with the terms of their contract. Council tendered its Internal Audit Service provision in December 2018 and has appointed a new provider until 2022.

Council have a Fraud Policy (last reviewed November 2016) in place, which was circulated to all staff and Elected Members. The Fraud Policy is also published on Council's website.

Council have undertaken a General Data Protection Regulation Compliance Project to ensure a route path to compliance for New Data Protection Requirements.

Council have adopted an Environmental Policy and have established environmental objectives. Environmental compliance is supported through an accredited ISO 14001: quality system. An annual management review takes place involving members of Senior Management Team and an internal team of officers meet quarterly to ensure environmental compliance is maintained and progressed. The annual environmental performance report is reported to Council and is published online.

- **Ensuring the authority's assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and, where they do not, explain why and how they deliver the same impact**

The Council's internal audit arrangements complies with the CIPFA Statement on the Role of the Head of Internal Audit (2010). The Council has not designated a Head of Internal Audit within its staffing structures. However, it has appointed an external firm of suitable qualified and experienced accountants and auditors to provide a full range of Internal Audit services to Council.

The arrangements in place are not considered to compromise the Council's internal audit arrangements in any way as the externally sourced Internal Audit Service provider has a designated Head of Internal Audit who reports directly to Council through the Head of Digital Innovation and Corporate Governance, and Director of Support Services. The external Head of Internal Audit and Council's Director of Support Services are fully qualified accountants, ensuring that the internal audit service is based on sound technical knowledge and understanding. This arrangement complies with the CIPFA Statement on the Role of the Head of Internal Audit (2010).

- **Ensuring effective arrangements are in place for the discharge of the monitoring officer function**

Under the Fair Employment & Treatment (NI) Order 1998 and Fair Employment (Monitoring) Regulations (NI) 1999 as amended, the Council has a legal duty requirement to:-

1. Monitor workforce composition;
2. Review composition and recruitment, training and promotion (at least once every three years);
3. To take affirmative action if fair participation is not being secured for members of the Protestant and Roman Catholic communities; and
4. To set goals and timetables as part of affirmative action.

To comply with this legislation, the Monitoring Officer completes an Annual Monitoring Return to the Equality Commission for Northern Ireland and conducts an Article 55 Review at least once every three years.

- **Ensuring effective arrangements are in place for the discharge of the head of paid service function**

The Chief Executive is also the Council's head of the paid service. She is the main link between Council Members and Officers promoting positive and open communications between Members and Officers and ensuring strategic priorities are implemented in an appropriate and accountable manner.

The Council has designated a Head of Human Resources and Organisational Development within its staffing structures to advise and assist the Chief Executive in the discharge of this role, including all employment policy and practice matters, organisational development for the Councils workforce and industrial relations. The Head of Human Resources and Organisational Development and his staff are appropriately qualified and experienced.

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

Council's Audit and Scrutiny Committee undertakes the core functions of an Audit Committee as identified in CIPFA's Audit Committees Practical Guidance for Local Authorities.

The Audit and Scrutiny Committee met eight times during 2018/19 in conjunction with key audit and financial reporting timeframes. The Audit and Scrutiny Committee has an established Terms of Reference (last reviewed 2018).

Internal audit findings and risk management information were reported to the Committee during the year and other information, such as, the work of the Northern Ireland Audit Office.

Council appointed an Independent Member to the Audit and Scrutiny Committee in November 2015. The Independent Member's term has been successfully extended twice in line with his contract until the end of the current Council term (May 2019).

The Audit and Scrutiny Committee reviewed its performance in May 2018 using the self-assessment checklist contained within the Audit Committees: Practical Guidance for Local Authorities and Police (2013 Edition).

- **Whistleblowing and for receiving and investigating complaints from the public**

Council have a Whistleblowing Policy (last reviewed November 2016) in place. This policy was circulated to all staff and Elected Members. The Whistleblowing Policy is also published on Council's website.

At the start of 2018/19, one whistleblowing allegation was still under investigation. This has now been fully investigated and closed out. Council's Whistleblowing Policy was activated once during 2018/19. The whistleblowing allegation was fully investigated and closed out.

Council have established a corporate Complaints Policy and recording system which is maintained by the Policy Team. The Complaints Policy ensures that all formal public complaints are appropriately investigated and responded to. Council received 31 formal complaints during 2018/19. Of the 31 formal complaints received, 6 reached Stage 2 of Council's Complaints Policy with 4 complaints being referred to the Northern Ireland Public Service Ombudsman and one to the Equality Commission for Northern Ireland.

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

A Training Needs Analysis has been carried out for all Elected Members. Members have undertaken a diverse range of training activities in order to provide them with the capacity and capability to fulfil their role efficiently and effectively. Some of the training provided to Members has covered the key areas of:

- Community Planning;
- Planning;
- Declaration of Interests;
- Standing Orders;
- Audit and Scrutiny Committee;
- Good Relations and Equality;
- Chaining Committees;
- Code of Conduct; and
- The Prudential Code of Accounting.

Through the Elected Member Development Charter Steering Group, Elected Members are progressing towards the achievement of Elected Member Development Charter. Council are also developing a training programme through the steering group which will focus on the specific requirements of Councillors.

A staff Training Needs Analysis will be undertaken following the full implementation of Council's new staffing structures. Training will then be organised as per the identified training plans.

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

Communication is critically important to ensure the community in which the authority exists and other stakeholders are fully aware of Council's aims and objectives. Council utilises various media by which to communicate within and outside the Borough, such as the Council website, publications, brochures, leaflets, social media (Facebook, twitter) and media advertisements/broadcasts.

Council's corporate Facebook account continues to retain its position as a top performing account across all Northern Ireland Councils. Followers continue to grow on both Facebook and Twitter, with performance targets for 2018/19 exceeded.

During 2018/19 Council published three editions (Spring, Summer, Autumn) of its ratepayer magazine "Connections" which was delivered to all households throughout the Borough.

Councillors and officers sit on many partnerships and community groups throughout the borough. A significant amount of resource was used to create highly developed networks that permit communication and assist Council to achieve its vision.

All documents are made available in accessible formats such as large print or audio cassette and in minority languages to meet the needs of those who are not fluent in English.

In producing Council's Performance Improvement Plan for 2018/19, Officers undertook a wide ranging consultation process with Council Staff, Elected Members and the general public. The consultation process ran for an eight week period and included public consultation events in Ballymena, Carrickfergus and Lame.

In May 2019, Mid and East Antrim Borough Council approved a new Corporate Plan for the 2019-2023 period. A range of activities were carried out over a period of 18 months to engage the community and to inform the new Plan. Elected Members, Senior Management, staff, local businesses and community groups, and the general public were consulted. Surveys were placed in our ratepayers' magazine 'Connections' and on our website which invited respondents to have their say on Council's proposed vision, themes and priorities.

A household survey was commissioned by Council and undertaken in Autumn 2018. Face-to-face interviews were carried out with a representative sample of 775 residents from across the Borough. The survey provided a range of valuable information including a measure of resident satisfaction with Council and enabled Council to assess resident priorities for inclusion in the new Corporate Plan. The survey evidenced an overall satisfaction level with Council of 88%. The top priorities identified by residents were investment to grow the economy and to improve health and wellbeing. The results were incorporated into the new Corporate Plan.

Council is well underway with the process by which to produce a Local Development Plan for the Mid and East Antrim Borough. The Local Development Plan will guide the future spatial land use within Mid and East Antrim, apply regional policies at the appropriate local level and inform the general public, statutory authorities, developers and other interested bodies of the policy framework and land use proposals within the Borough.

During August 2016, Council published a Statement of Community Involvement and a Local Development Plan Timetable. A Revised Timetable was published in June 2017, and a further revision in April 2019. The Local Development Plan, Preferred Options Paper was published in June 2017 for a 12 week public consultation period ending on 6 September 2017. The Public Consultation Report on the Preferred Options Paper was published on the Council's website in November 2017.

The Preferred Options Paper and responses to it will inform the emerging Plan Strategy, which is the current phase of work on the Local Development Plan. It is anticipated that the draft Plan Strategy will be published for public consultation in the Autumn of 2019. Upon adoption of the Plan strategy, work will begin on the Local Policies Plan, which is the next stage in the Local Development Plan process.

Through the medium of Community Planning, Council have actively consulted with the various community groups, networks and clusters that make up the Borough's community and voluntary sector. Through Council's Community Planning Governance Framework, Council have created a Community Panel, in agreement with the community, which provides the community with a formalised channel by which to put forward community needs and concerns. The Community Panel is also represented on Council's Community Planning Strategic Alliance, which includes Council representatives and key decision makers from across the wider public sector and statutory agencies.

In the lead up to the publication of the Borough's first Community Plan, Council undertook a thorough and wide ranging consultation process with key stakeholders and residents of the Borough. This consultation process commenced on 10 January 2017 and ran for an eight week period.

Mid and East Antrim published its first Community Plan "Putting People First" on 31 March 2017 and has now moved to its implementation stage.

Throughout 2018/19 Council have continued to lead the Community Planning process in partnership with a wide range of community and statutory partners. Consultation has taken place in many forms and has resulted in the progression of many key projects, for example:

- The Dementia friendly project has involved continued engagement within the Larne area and expansion to the Carrickfergus area, whereby many organisations have engaged with the programme to develop a Dementia Friendly Community. Council frontline staff have received Dementia Awareness training. A further roll out of the project to the Ballymena area is being planned.

- Following a robust Community Consultation process in April 2018 to gauge the Community needs for an Ageing Well Model for older people throughout the Borough, Council as lead partner undertook a joint procurement exercise with community planning partners and in October 2018 awarded a contract for Ageing Well services.

Council continues to use all opportunities to communicate the work of the Community Planning Partnership through a range of avenues including social media, the Connections Magazine.

Council launched a comprehensive consultation exercise in 2018/19 concerning the replacement of the Seven Towers Leisure Centre in Ballymena. An external consultant was engaged via a procurement exercise to carry out a replacement feasibility study. Consultation has been undertaken during the year with agreed stakeholders, through 5 focus groups and online consultation. An online survey was conducted resulting in approximately 1,800 completed surveys. National governing bodies were consulted in a range of sports as well as Disability Sport NI. Future planned consultation will include an online survey with all Primary Schools in the Ballymena area and a door – to – door survey in areas within walking distance of the proposed location for the new centre.

- **Enhancing the accountability for service delivery and effectiveness of other public service providers**

In 2018/19 the Council invested in a digital platform to enhance the reporting of progress in the delivery of the Community Plan to community planning partners. In line with the Community Planning Guide the Strategic Alliance continues to meet bi annually and Council as lead partner reports on progress to all statutory partners.

- **Incorporating good governance arrangements in respect of partnerships and other joint working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements**

Council has not entered into any new partnerships in 2018/19. Going forward, the Council will review the Northern Ireland Audit Office publication "Making Partnerships Work - A Good Practice Guide for Public Bodies" published in April 2019 and will apply any relevant governance best practice.

- **Review of Effectiveness**

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

The process that has been applied in maintaining and reviewing the effectiveness of the governance framework :-

- **The authority**

A committee structure is in place within Council which provides Elected Members with a democratic mechanism by which to approve and scrutinise Council business. Positions of responsibility are appointed by d'Hondt. All committee places are appointed through the Quota Greatest Remainder method. Both are set out within the Local Government Act (NI) 2014.

Council business is governed by Council Standing Orders and Committee Terms of References to ensure that the transaction of the business of Council and its Committees is properly regulated and conducted in an efficient, fair and legal manner.

- **The executive**

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

In doing so the Senior Management Team regularly reviewed:

- Full Council and Committee Actions;
- Corporate Risk Register;
- Corporate Health and Safety;
- Internal and External Audit Reports;
- New and revised Council Policies;
- Performance Improvement Plan;
- Council performance against the priorities set within the Corporate Plan;
- Economic Appraisals/ Business Cases;
- Procurement Actions;
- Human Resource Permissions;
- Financial reporting;
- Prudential Code of Accounting.

- **The Audit Committee / Overview and Scrutiny Committees / Risk Management Committee**

The Audit and Scrutiny Committee met eight times during 2018/19. The Audit and Scrutiny Committee has an Independent Member. The internal and external auditors attend meetings as appropriate. The Audit and Scrutiny Committee approved a risk based internal audit plan for 2018/19 and considered the findings of internal audit reviews and the external audit reports (Annual Audit Letter and Report to those charged with Governance).



The Audit and Scrutiny Committee reviews the Internal Audit function on an annual basis and through the Internal Audit Assurance Statement provided by the Internal Auditor ensured that its internal controls, risk management and governance are adequate and effective and that it has a sound system of internal control.

Throughout 2018/19 each Director presented their Directorate Business Plans to Audit and Scrutiny for review of performance against set actions and outcomes.

The effectiveness of the Audit and Scrutiny Committee was reviewed at the Audit and Scrutiny Committee of 25 June 2019. This was done using the self-assessment checklist in the Audit Committees: Practical Guidance for Local Authorities and Police (2013 Edition). The Committee was satisfied with its overall performance when compared against the checklist. In addition, the implementation of recommendations in Internal and External Audit Reports was reviewed.

- **Internal Audit**

Council's Internal Audit function is externally sourced and provides an independent opinion on the Council's Governance Framework.

An annual review of the Internal Audit function has been carried out in accordance with the recommended checklist provided in the CIPFA Local Government Application Note for the UK Public Sector Internal Audit Standards (PSIAS), 2013. This review was presented to the Audit and Scrutiny Committee on 25 June 2019, along with the Annual Internal Audit Assurance Report. Internal Audit reported compliance with the standards.

During 2017/18 two internal audit reviews in relation to Performance Improvement Monitoring and Procurement and Contract Management received a Limited Assurance Rating. A follow-up review of these service areas was undertaken during 2018/19, which concluded that significant progress had been made within each service area to provide assurance that internal audit recommendations had been implemented.

Internal Audit carried out eight Assurance reviews during 2018/19, with all eight reviews attaining a Satisfactory Assurance Rating.

Based on the conclusions of the 2018/19 Internal Audit Programme, Internal Audit have provided the Council's Chief Financial Officer with an overall assurance rating of 'Satisfactory' in relation to the Council's system of internal control.

- **Other explicit review/assurance mechanisms**

Council reviewed its Corporate Risk Register during 2018/19. Action Plans for each Corporate Risk have been formulated in terms of likelihood and impact.

External audit by the Northern Ireland Audit Office during the last year, gave Council an unqualified audit opinion in relation to their accounts for 2017/18.

Council's Performance Improvement plan has been externally audited by Northern Ireland Audit Office who provided a satisfactory assurance rating for 2018/19.

The Seven Towers Leisure Centre successfully completed an annual maintenance inspection through the QUEST UK Quality Scheme for Sport and Leisure accreditation in 2018/19.

All service areas within Council's Lame offices have retained the Environmental Management Quality Standard ISO14001: 2015.

- Various Council attractions have attained Tourism Northern Ireland Star Gradings - 4 Star
- Andrew Jackson Cottage and US Rangers Centre
  - Arthur Cottage and Interpretative Centre
  - Carnfunnock Country Park
  - Carrickfergus Museum
  - Carrickfergus Castle
  - Gobbins
  - Larne Museum

Ballymena and Carrickfergus Museums are accredited to the Arts Council England accreditation scheme.

Council attained a Gold Award and "Wild about Gardens" Award (Britain in Bloom) , a special award for Biodiversity and winner in the Large Village category (Ulster in Bloom Awards) and the Best Urban Parks Team (Horticulture Awards 2018).

Ten Council parks have been awarded the Green Flag environmental standard.

Three Council beaches have been awarded the Seaside Award standard.

Carrickfergus Marina has retained the 5 Gold Anchor Award and had achieved the Blue Flag Marina Award for the first time.

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

**Significant Governance Issues**

The Council is required to strike its district domestic and non domestic rate by 14 February annually. By that date in 2019 the Regional rate had not been confirmed and the Department for Communities had not yet confirmed the level of Rates Support Grant. In the view of Council the absence of this critical information presents a significant governance issue.

During 2018/19 the Council was the victim of a creditor payment fraud. The Council has taken steps to review its procedures and has enhanced its financial checks to mitigate the risk of similar attempted fraudulent activity.

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

Signed   
 Clerk and Chief Executive  
 Mid and East Antrim Borough Council

Date 24th September 2019  
 .....

Signed   
 Chairman of Audit and Scrutiny Committee  
 Mid and East Antrim Borough Council

Date 24th September 2019  
 .....

## **REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2019**

### **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.

Guidance and determinations on Councillors' Allowances applicable from 1 April 2018 were issued by the Department for Communities on 31 July 2018 (Circular LG 12/2018). Details of the allowances paid to individual councillors are published on council websites.

Following local elections on 22 May 2014, 462 councillors were elected to the 11 new councils for a four year term. Mid and East Antrim Borough Council had 41 councillors in 2018/19.

#### **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 Executive Management Team/Senior Management 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, 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 (audited information)**

Allowance	2018/19		2017/18	
	Total Allowances £	Number of Councillors receiving the Allowance	Total Allowances £	Number of Councillors receiving the Allowance
Basic Allowance	588,021	41	579,514	40
Special Responsibility Allowance	55,632	19	54,540	22
Chairperson/ Mayor Allowance	7,417	2	7,272	2
Vice Chairperson/ Deputy Mayor Allowance	6,181	1	6,060	2
Mileage Allowance	46,355	35	43,153	34
Public Transport and Other Travel Incidentals	5,722	21	2,853	-
Subsistence	5,335	17	18,480	20
Courses/ Conferences Visits (registration & joining fees)	2,631	34	6,331	35
Dependents' Carers Allowance	1,418	1	1,875	1
<b>TOTAL ALLOWANCES</b>	<b>718,712</b>	<b>-</b>	<b>720,078</b>	

Details of the allowances paid to individual councillors in 2018/19 are published on the council website at [www.midandeantrim.gov.uk/council/policies-and-documents/financial-reports/councillors-allowances-return-2018-19](http://www.midandeantrim.gov.uk/council/policies-and-documents/financial-reports/councillors-allowances-return-2018-19).

#### REMUNERATION OF SENIOR EMPLOYEES

The remuneration of senior employees covers the Executive Management Team/Senior Management Team. The following table provides details of the remuneration paid to senior employees:

**Table 2 - Table 2: Remuneration (Including salary)[audited information]**

Officers	2018/19				2017/18			
	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100) £'000	Total £'000	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100) £'000	Total £'000
Anne Donaghy (Chief Executive)	110 - 115	0	0	110 - 115	110 - 115	0	0	110 - 115
Sandra Cole (Director of Finance and Governance) (a)	40 - 45 (80 - 85)	0	1	40 - 45	80 - 85	0	3	85 - 90
Philip Thompson (Director of Operations)	80 - 85	0	0	80 - 85	80 - 85	0	0	80 - 85
Linda Williams (Director of Economic Development)	80 - 85	0	0	80 - 85	80 - 85	0	0	80 - 85
Katrina Morgan (Director of Community) (b)	55 - 60 (75 - 80)	0	0	55 - 60 (75 - 80)	0	0	0	0
John McVeigh (Director of Support Services) (c)	50 - 55 (75 - 80)	0	0	50 - 55 (75 - 80)	0	0	0	0
Karen Hargan (Director of Organisational Design & Community Planning) (d)	0	0	0	0	90 - 95	0	0	90 - 95

(a) Sandra Cole ceased employment with the Council on 30th June 2018. The Remuneration figures disclosed above includes payment for unused holidays.

(b) Katrina Morgan commenced employment with the Council on 11th July 2018.

(c) John McVeigh commenced employment with the Council on 30th July 2018.

(d) Karen Hargan ceased employment with the Council on 31st March 2018.

Councils are required to disclose the 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.

The banded remuneration of the highest paid member of the Executive Management Team/Senior Management Team in the financial year 2018/19 was £110k - £115k. This was 4.16 times the median remuneration of the workforce, which was £27.5k.

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

	2018/19	2017/18
	£'000	£'000
Salary Band of Highest Paid member of the Executive Management Team/ Senior Management Team	110 - 115	110 - 115
Median Total Remuneration	£27.5	£25.9
Ratio	4.16 : 1	4.45 : 1

In 2018/19, no employees received remuneration in excess of the highest paid member of the Executive Management Team/Senior Management Team.

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

#### Salary

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

#### Bonus Payments

Bonus payments are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2018/19 relate to performance in 2018/19. No bonus payments were made in 2018/19 (2017/18 Nil).

#### 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.

#### Exit Packages for staff

The number of exit packages provided to all staff by the Council, 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 2018/19 (audited information)**

Severance Package Cost Band	2018/19				2017/18			
	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000
£0 - £20,000	0	1	1	17	0	0	0	0
£20,001 - £40,000	0	1	1	37	0	1	1	21
£40,001 - £60,000	0	1	1	51	0	0	0	0
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	2	2	250	0	0	0	0
£150,001 - £200,000	0	2	2	359	0	0	0	0
£200,000 - £250,000	0	1	1	236				
	0	8	8	950	0	1	1	21

## Pension Benefits

The Local Government Pension Scheme (Northern Ireland) (the Scheme) which is a funded defined benefit pension scheme, which 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 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, 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 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 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 2018, were as follows:

**Table 5: Employee Contribution Rates**

Band	Range	Employee Contribution Rate
1	£0 - £14,500	5.5%
2	£14,501 - £22,100	5.8%
3	£22,101 - £36,900	6.5%
4	£36,901 - £44,700	6.8%
5	£44,701 - £88,300	8.5%
6	More than £88,300	10.5%

Employers' contribution rates are determined by the fund's actuary every three years at the triennial valuation. A formal triennial actuarial valuation of the Fund as at 31 March 2016 was carried out in 2016/17 and set the employer contribution rates for the 3 years commencing 1 April 2017 as follows:

**Table 6: Employer Contribution Rates**

Year	Employer Contribution Rate
1 April 2017 - 31 March 2018	18% + 2% deficit contribution
1 April 2018 - 31 March 2019	19% + 2% deficit contribution
1 April 2019 - 31 March 2020	20% + 2% deficit contribution

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 2018/19 was £115,538.

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 2018/19 (audited information)**

Officers	Accrued Pension at pension age as at 31/3/19 £'000	Real increase/ (decrease) in pension and related lump sum at pension age £'000	CETV at 31/3/19 £'000	CETV at 31/3/18 £'000	Real increase in CETV £'000
Anne Donaghy	35 - 40 47.5 - 50 (LS) #	0 - 2.5 (0 - 2.5) (LS)	547	508 *	15
Sandra Cole	0 0	0 0	0	501	0
Philip Thompson	30 - 35 47.5 - 50 (LS)	0 - 2.5 (0 - 2.5) (LS)	496	464 *	14
Linda Williams	20 - 25 17.5 - 20 (LS)	0 - 2.5 (0 - 2.5) (LS)	298	268*	17
Katrina Morgan	15 - 20 17.5 - 20 (LS)	2.5 - 5 2.5 - 5 (LS)	252	0	61
John McVeigh	0 - 2.5 0 (LS)	0 - 2.5 0 (LS)	12	0	8
Karen Hargan	0 0	0 0	0	145	0

# LS - Lump sum

\* The CETV values for 2017/18 have been restated to reflect new transfer factors. This is because the real increase in CETV should exclude the impact of any change in factors.

During the year Katrina Morgan elected to combine previously deferred pension membership with her current membership. The figures stated above include the total amount accrued from all memberships.

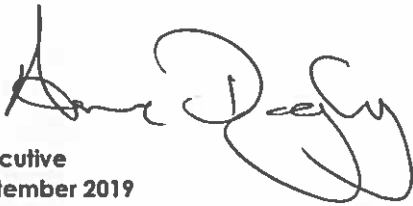


**The Cash Equivalent Transfer Value (CETV)**

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the 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 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.



**Chief Executive**  
**24th September 2019**

### **Certificate of the Chief Financial Officer**

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2019 on pages 38 to 101 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 42 to 62 .
- (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 ending 31st March 2019.



**Chief Financial Officer**

**Date** 24/09/2019

### **Council Approval of Statement of Accounts**

These accounts will be approved by resolution of the Council/Committee on 24th September 2019.



**Chairman**

**Date** 24/09/2019

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

### **Opinion on financial statements**

I have audited the financial statements of Mid and East Antrim Borough Council for the year ended 31 March 2019 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 including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2018-19, of the financial position of Mid and East Antrim Borough Council as at 31 March 2019 and its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities directions issued thereunder.

### **Basis of opinion**

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

### **Other Information**

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

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

### **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and

- the information given in the Statement of Accounts for the financial year ended 31 March 2019 is consistent with the financial statements.

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

As explained more fully in the Statement of Council's and Chief Financial Officer's Responsibilities, the Chief Financial Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

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

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

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

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

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

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

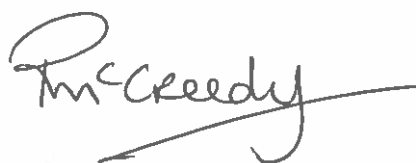
I have nothing to report in respect of the following matters which I report to you if:

- in my opinion:
  - the Annual Governance Statement:
    - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018-19;
    - 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 Mid and East Antrim Borough Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

A handwritten signature in black ink, appearing to read 'P. McCreedy', with a long horizontal stroke extending to the right.

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

*30 September 2019*

Mid and East Antrim Borough Council  
Comprehensive Income and Expenditure Statement for the year ended 31 March 2019

Service Expenditure	Notes	2018/19			2017/18		
		Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Leisure & Recreation	2a	22,640,406	(4,560,019)	18,080,387	19,368,524	(3,844,373)	15,524,151
Environmental Services	2a	19,438,679	(2,971,147)	16,467,532	20,019,141	(2,867,312)	17,151,829
Planning and Development Services	2a	8,242,392	(3,788,622)	4,453,770	6,583,450	(3,392,252)	3,191,198
Highways and Transport	2a	849,208	(1,212,975)	(363,767)	1,365,724	(1,200,084)	165,640
Corporate and Democratic Services	2a	5,226,851	(89,797)	5,137,054	4,629,654	(60,595)	4,569,059
Other Services	2a	5,133,858	(718,471)	4,415,387	1,510,457	(734,333)	776,124
Central Support services	2a	16,876,936	(236,445)	16,640,491	9,881,776	(299,262)	9,582,514
Cost of Services on Continuing Operations		78,408,330	(13,577,476)	64,830,854	63,358,726	(12,398,211)	50,960,515
Other Operating Expenditure/Income	8	117,842	(254,663)	(136,821)	15,233	(23,925)	(8,692)
Financing and Investment Income and Expenditure	9	3,791,542	(207,420)	3,584,122	3,833,252	(159,334)	3,673,918
<b>Net Operating Expenditure</b>		<b>82,317,714</b>	<b>(14,039,559)</b>	<b>68,278,155</b>	<b>67,207,211</b>	<b>(12,581,470)</b>	<b>54,625,741</b>
Taxation and Non-Specific Grant Income	10	-	(54,725,388)	(54,725,388)	-	(50,488,863)	(50,488,863)
<b>Surplus/(Deficit) on the Provision of Services</b>		<b>82,317,714</b>	<b>(68,764,947)</b>	<b>(13,552,767)</b>	<b>67,207,211</b>	<b>(63,070,333)</b>	<b>(4,136,876)</b>
(Surplus)/Deficit on revaluation of non-current assets	11			5,201,408			11,034,860
Remeasurements of the Net Defined Benefit Liability (Asset)	21			3,071,000			(390,000)
<b>Other Comprehensive Income and Expenditure</b>				<b>8,272,408</b>			<b>10,644,860</b>
<b>Total Comprehensive Income and Expenditure</b>				<b>(5,280,359)</b>			<b>6,507,982</b>

**Mid and East Antrim Borough Council**  
**Movement in Reserves Statement for the year ended 31 March 2019**

	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 2017</b>	<b>3,970,643</b>	<b>10,720,020</b>	<b>-</b>	<b>14,690,663</b>	<b>100,997,498</b>	<b>115,688,361</b>
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	(4,136,878)	-	-	(4,136,878)	-	(4,136,878)
Other Comprehensive Income and Expenditure	-	-	-	-	10,644,860	10,644,860
<b>Total Comprehensive Income and Expenditure</b>	<b>(4,136,878)</b>	<b>-</b>	<b>-</b>	<b>(4,136,878)</b>	<b>10,644,860</b>	<b>6,507,982</b>
Adjustments between accounting basis & funding under regulations	5,260,672	(186,584)	-	5,074,088	(5,074,088)	-
<b>Net Increase before transfers to Statutory and Other Reserves</b>	<b>1,123,794</b>	<b>(186,584)</b>	<b>-</b>	<b>937,210</b>	<b>5,570,772</b>	<b>6,507,982</b>
Transfers to / from Statutory and Other Reserves	(1,000,000)	1,000,000	-	-	-	-
<b>Increase/ Decrease in year</b>	<b>123,794</b>	<b>813,416</b>	<b>-</b>	<b>937,210</b>	<b>5,570,772</b>	<b>6,507,982</b>
<b>Balance as at 31 March 2018</b>	<b>4,094,437</b>	<b>11,533,436</b>	<b>-</b>	<b>15,627,873</b>	<b>106,568,470</b>	<b>122,196,343</b>
<b>Movement in reserves during the year</b>						
Surplus/ (Deficit) on the provision of services	(13,552,767)	-	-	(13,552,767)	-	(13,552,767)
Other Comprehensive Income and Expenditure	-	-	-	-	8,272,408	8,272,408
<b>Total Comprehensive Income and Expenditure</b>	<b>(13,552,767)</b>	<b>-</b>	<b>-</b>	<b>(13,552,767)</b>	<b>8,272,408</b>	<b>(5,280,359)</b>
Adjustments between accounting basis & funding under regulations	13,940,913	76,290	117,500	14,134,703	(14,134,703)	-
<b>Net Increase before transfers to Statutory and Other Reserves</b>	<b>388,146</b>	<b>76,290</b>	<b>117,500</b>	<b>581,936</b>	<b>(5,862,295)</b>	<b>(5,280,359)</b>
Transfers to / from Statutory and Other Reserves	(281,850)	281,850	-	-	-	-
<b>Increase in year</b>	<b>106,297</b>	<b>358,140</b>	<b>117,500</b>	<b>581,936</b>	<b>(5,862,295)</b>	<b>(5,280,359)</b>
<b>Balance as at 31 March 2019</b>	<b>4,200,734</b>	<b>11,891,576</b>	<b>117,500</b>	<b>16,209,810</b>	<b>100,706,175</b>	<b>116,915,985</b>

**Mid and East Antrim Borough Council**  
**Balance Sheet as at 31 March 2019**

	Note	31st March 2019	31st March 2018
		£	£
Fixed Assets	11	210,689,089	213,062,507
Long Term Investments	16	-	-
Investment in Associates and Joint Ventures		-	-
Long Term Debtors	15	1,683,396	1,296,131
Contract Assets		-	-
Contract Costs		-	-
<b>LONG TERM ASSETS</b>		<b>212,372,485</b>	<b>214,358,638</b>
Short Term Investments	16	8,553,125	10,166,470
Inventories	14	285,947	265,517
Short Term Debtors	15	8,268,513	5,284,243
Cash and Cash Equivalents	25	1,727,563	2,072,861
Assets Held for Sale	11	-	30,000
Contract Assets		-	-
Contract Costs		-	-
<b>CURRENT ASSETS</b>		<b>18,835,148</b>	<b>17,819,091</b>
Bank Overdraft	25	-	-
Short Term Borrowing	17	11,731,612	8,461,005
Short Term Creditors	18	6,027,564	6,087,327
Provisions	19	661,590	743,632
Contract Liabilities		-	-
<b>CURRENT LIABILITIES</b>		<b>18,420,766</b>	<b>15,291,964</b>
Long Term Creditors	18	-	-
Provisions	19	2,924,177	2,365,106
Long Term Borrowing	17	51,066,705	54,398,316
Other Long Term Liabilities	21	41,880,000	37,926,000
Contract Liabilities		-	-
Donated Assets Account	22	-	-
Capital Grants Receipts in Advance	23	-	-
<b>LONG TERM LIABILITIES</b>		<b>95,870,882</b>	<b>94,689,422</b>
<b>NET ASSETS</b>		<b>116,915,985</b>	<b>122,196,343</b>
<b>USABLE RESERVES</b>			
Capital Receipts Reserve	26	117,500	-
Capital Grants Unapplied Account	26	147,280	-
Capital Fund	26	5,693,865	5,064,855
Renewal and Repairs Fund	26	2,725,617	2,725,617
Other Balances and Reserves	26	3,324,814	3,742,964
General Fund	26	4,200,734	4,094,437
		<b>16,209,810</b>	<b>15,627,873</b>
<b>UNUSABLE RESERVES</b>			
Capital Adjustment Account	27	67,397,848	71,469,009
Financial Instruments Adjustment Account	27	-	-
Revaluation Reserve	27	76,306,268	74,051,003
Available for Sale Financial Instruments Reserve	27	-	-
Financial Instruments Revaluation Reserve	27	-	-
Pensions Reserve	27	(41,880,000)	(37,926,000)
Capital Receipts Deferred Account	27	-	-
Accumulated Absences Account	27	(557,995)	(453,682)
Landfill Regulations Reserve	27	-	-
Provisions Discount Rate Reserve	27	(559,946)	(571,860)
		<b>100,706,175</b>	<b>106,568,470</b>
<b>NET WORTH</b>		<b>116,915,985</b>	<b>122,196,343</b>



**Mid and East Antrim Borough Council**  
**Cash Flow Statement at 31 March 2019**

	Note	2018/19	2017/18
		£	£
Net Deficit on the provision of services		(13,552,767)	(4,136,878)
Adjustment for non-cash movements	25a	15,673,464	9,029,584
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	25a	841,733	1,193,563
<b>Net cash flows from operating activities</b>	<b>25</b>	<b>2,962,430</b>	<b>6,086,269</b>
Cash flows from Investing Activities	25d	(3,246,722)	(5,527,138)
Net Cash flows from Financing Activities	25e	(61,006)	1,570,247
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(345,298)</b>	<b>2,129,378</b>
Cash and cash equivalents at the beginning of the reporting period		2,072,861	(56,517)
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>1,727,563</b>	<b>2,072,861</b>

## 1 Accounting Policies

### a General Principles

The Statement of Accounts summarises the Council's transactions for the 2018/19 financial year and its position at the year-end of 31 March 2019. The Council is required to prepare an annual Statement of Accounts in a form directed by the Department for Communities in accordance with regulations 3 (7) and (8) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19, 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 2018/19 also requires disclosure in respect of:

#### Summary of Significant Accounting Policies

### i) Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.

- 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 receivable on investments and payable on borrowings is accounted for respectively as income and expenditure 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) **Acquisitions and Discontinued Operations**

The Council has not acquired or discontinued operations or transferred operations under machinery of government arrangements during the financial year.

iii) **Provision for Single Status, Job Evaluation and Pay and Grading Reviews**

The Council has made a provision for the costs of settling claims for back pay arising from discriminatory payments incurred before the Council implemented its Single Status Policy. Local government reform resulted in the assets and liabilities of the former Ballymena, Carrickfergus and Larne legacy councils being transferred to Mid and East Antrim Borough Council on 1 April 2015.

As the staff of the former legacy councils and those transferring in from the Department of the Environment's Planning Service are protected by the Transfer of Protected Undertakings Act (Northern Ireland) 2006 (TUPE), Council has not sought to amend these employees' terms and conditions of employment. Appropriate provision will be made for any financial consequences of employees terms and conditions as and when required.

iv) **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 highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

v) **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.

vi) **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.

vii) **Employee Benefits**

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, and 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 (or any form of leave, eg time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

**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 in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring. 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 debts for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

**Post Employment Benefits**

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

## **The Northern Ireland Local Government Officers' Pension Fund**

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

The liabilities of the Northern Ireland Local Government Officers' Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. 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 Aon Hewitt GBP Select AA Curve over the duration of the Employer's liabilities.

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

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

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

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

Service cost comprising:

Current Service Cost – the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked

Past Service Cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statements.

Within Financing and Investment Income and Expenditure

Net interest on the net defined benefit liability (asset), – ie net interest expense for the Council, the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement - this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period - taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

#### Within Other Comprehensive Income and Expenditure (Remeasurements)

The Return on Plan Assets – excluding amounts recognised in the Net Interest on the Net Defined Benefit Liability (Asset) charged to the Pensions Reserve as Other Comprehensive Income and Expenditure. 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 net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, charged to the Pensions Reserves as Other Comprehensive Income and Expenditure.

#### Within the Movement in Reserves Statement Appropriations

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

Contributions by the Employer - the increase in scheme assets due to payments into the scheme by the employer.

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

#### Discretionary Benefits

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

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 scheme provides 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.

**viii) 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 Statement of Accounts may subsequently be adjusted up to the date when they are authorised for issue. This date will be recorded on the Statement of Accounts and is usually the date the Local Government Auditor issues the 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.

**ix) 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.

**x) 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 (unless stated otherwise) 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.

## xi) **Financial Instruments**

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 most of 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.

However, the bonds issued by the Council in 2018/19 are carried at a lower amortised cost than the outstanding principal, and interest is charged at a marginally higher effective rate of interest than the rate payable to bondholders, as a material amount of costs incurred in its issue is being financed over the life of the stock.

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 Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. 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 based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI)

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (ie where the cash flows do not take the form of a basic debt instrument).



### **Financial Assets Measured at Amortised Cost**

Financial assets measured at amortised cost 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 subsequently 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. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure is the amount receivable for the year in the loan agreement.

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.

### **Expected Credit Loss Model**

The Council recognises expected credit losses on all of its financial assets held at amortised cost [or where relevant FVOCI], either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

### **Financial Assets Measured at Fair Value through Profit or Loss**

Financial assets that are measured at FVPL 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. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices - the market price
- other instruments with fixed and determinable payments - discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs - quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.
- Level 2 inputs - inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs - unobservable inputs for the asset.

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.

#### **Instruments entered into before 1 April 2006**

The Council entered into a number of financial guarantees that are not required to be accounted for as financial instruments. These guarantees are reflected in the Statement of Accounts to the extent that provisions might be required or a contingent liability note is needed under the policies set out in the section on Provisions, Contingent Liabilities and Contingent Assets.

#### **xii) 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.

#### **xiii) 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 in the form of 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.

#### xiv) **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 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 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 (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

xv) **Inventories & Long Term Contracts**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the [FIFO/ weighted average] costing formula.

Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

xvi) **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, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measureable date. As a non-financial asset, investment properties are measured at highest and best use. 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.

xvii) **Landfill Allowance Scheme**

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.

xviii) **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, plant or equipment 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. a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- b. 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 (where ownership of the asset does not transfer to the Council at the end of the lease period).

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 contribution is made from revenue towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General 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 Lease**

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. a charge for the acquisition of the interest in the property – applied to write down the lease debtor together with any premiums received, and
- b. 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 is 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 capital receipt for the disposal of the asset is used to write down the lease 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 non-current 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.

### ***The Council as Lessor - Operating Lease***

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.

### **xix) 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 in the Surplus or Deficit on the Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets 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 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 are categorised as capital receipts and credited to the Capital Receipts Reserve. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against district rates, as the cost of non-current 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.

xx) **Overheads and Support Services**

The costs of overheads and support services are charged to service segments in accordance with the Council's arrangements for accountability and financial performance.

xxi) **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.

**Measurement**

Assets are initially measured at cost, comprising:

- a. the purchase price
- b. 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
- c. 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.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (ie it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

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
- surplus assets - the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- all other assets including coastal paths – 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 current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current 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 2008 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 by:

- a. 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),
- b. where there is no balance in the Revaluation Reserve or an insufficient balance, 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.

## **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:

- vehicles, plant and equipment - a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer,
- infrastructure - straight line allocation over 10-54 years.

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

## **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.

## **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.

## **xxii) 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 would be held by this authority in pursuit of our overall objectives in relation to the maintenance of heritage.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, eg 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 general policy on impairment.

At the end of this reporting period the Council holds £1.18m in Heritage Assets. These were mainly museum collections, paintings, books, sculptures, and other artefacts. The value was determined by the services of an external valuer. Further information is shown in Note 11f.

xxiii) **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.

xxiv) **Reserves**

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance. 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 transferred back into the General Fund Balance 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, retirement benefits and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant note to the accounts.

xxv) **Charges to Revenue for Non-Current Assets**

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- a. depreciation attributable to the assets used by the relevant service
- b. 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
- c. amortisation of intangible fixed assets attributable to the service.

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

xxvi) **Revenue Expenditure Funded from Capital under Statute**

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 from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged, so that there is no impact on the level of District Rates.

xxvii) **Value Added Tax**

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

xxviii) **Fair Value Measurement**

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings [other financial instruments as applicable] at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- \* Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date
- \* Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- \* Level 3 – unobservable inputs for the asset or liability.

**b Accounting Standards That Have Been Issued but Have Not Yet Been Adopted**

**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 2018/19, the following accounting standards have been issued but not yet adopted within the Code of Practice on Local Authority Accounting.

Amendments to IAS 40 Investment Property: Transfers of Investment Property ·

Annual Improvements to IFRS Standards 2014 - 2016 Cycle

· IFRIC 22 Foreign Currency Transactions and Advance Consideration

· IFRIC 23 Uncertainty over Income Tax Treatments ·

IFRIC 23 Uncertainty over Income Tax Treatments

· Amendments to IFRS 9 Financial Instruments: Prepayment Features with Negative Compensation

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

**c Critical Judgements in Applying Accounting Policies**

At 31 March 2019 Mid and East Antrim Borough Council has not identified any areas that require critical judgements.

**d 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 2019 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

**i) Property, Plant and Equipment**

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

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

**ii) Provisions**

The Council has made a provision of £276k for the settlement of claims for back pay arising from the Equal Pay initiative, based on the number of claims received.

**iii) Pension 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.

**iv) Third Party Investments**

The Council administers investments for third parties outside the organisation. These investments are not included in the accounts of Mid and East Antrim Borough Council (See Note 16 for further details).

2

Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's [directorates/ services/ departments]. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

	2018/19			2017/18		
	Net Expenditure Chargable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
Leisure & Recreation	7,615,522	(10,464,865)	18,080,387	10,260,172	(5,263,979)	15,524,151
Environmental Services	14,839,510	(1,628,022)	16,467,532	15,447,910	(1,703,919)	17,151,829
Planning and Development Services	3,209,980	(1,243,790)	4,453,770	3,493,335	302,137	3,191,198
Highways and Transport	(659,188)	(295,421)	(363,767)	(406,723)	(572,363)	165,640
Corporate and Democratic Services	4,604,300	(532,754)	5,137,054	4,090,593	(478,466)	4,569,059
Other Services	9,049,095	4,633,708	4,415,387	4,656,449	3,880,325	776,124
Central Support services	15,977,287	(663,204)	16,640,491	8,946,429	(636,085)	9,582,514
<b>Net Cost of Services</b>	<b>54,636,506</b>	<b>(10,194,348)</b>	<b>64,830,854</b>	<b>46,488,165</b>	<b>(4,472,350)</b>	<b>50,960,515</b>
<b>Other Income and Expenditure</b>	<b>(51,549,317)</b>	<b>(271,230)</b>	<b>(51,278,087)</b>	<b>(47,611,959)</b>	<b>(788,322)</b>	<b>(46,823,637)</b>
<b>Surplus or Deficit</b>	<b>(3,087,189)</b>	<b>(10,465,578)</b>	<b>13,552,767</b>	<b>1,123,794</b>	<b>(5,260,672)</b>	<b>4,136,878</b>
<b>Opening General Fund</b>			<b>4,094,437</b>			<b>3,970,643</b>
<b>Surplus/ (Deficit) on General Fund Balance in Year</b>			<b>388,146</b>			<b>1,123,794</b>
<b>Transfers (to)/from Unusable Reserves</b>						
<b>Transfers (to)/from Usable Reserves</b>			<b>(281,850)</b>			<b>(1,000,000)</b>
<b>Closing General Fund</b>			<b>4,200,734</b>			<b>4,094,437</b>

2  
b

Note to the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement

Adjustments between Funding and Accounting Basis  
2018/19

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Statutory Adjustments	Other non-statutory Adjustments	Total adjustments
	£	£	£	£	£
Leisure & Recreation	(9,649,495)	(770,600)	-	(44,770)	(10,464,865)
Environmental Services	(869,681)	(735,600)	-	(22,741)	(1,628,022)
Planning and Development Services	(962,966)	(261,700)	-	(19,124)	(1,243,790)
Highways and Transport	(295,421)	-	-	-	(295,421)
Corporate and Democratic Services	(11,300)	(510,100)	-	(11,354)	(532,754)
Other Services	(270,287)	(29,000)	4,929,322	3,673	4,633,708
Central Support services	(262,121)	(403,000)	-	1,917	(663,204)
<b>Net Cost of Services</b>	<b>(12,321,271)</b>	<b>(2,710,000)</b>	<b>4,929,322</b>	<b>(92,399)</b>	<b>(10,194,348)</b>
Other Income and Expenditure from the Expenditure and Funding Analysis	653,770	(925,000)	-	-	(271,230)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(11,667,501)	(3,635,000)	4,929,322	(92,399)	(10,465,578)

Adjustments between Funding and Accounting Basis  
2017/18

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Statutory Adjustments	Other non-statutory Adjustments	Total adjustments
	£	£	£	£	£
Leisure & Recreation	(4,732,903)	(654,812)	-	123,736	(5,263,979)
Environmental Services	(592,291)	(691,909)	-	(419,719)	(1,703,919)
Planning and Development Services	472,628	(193,703)	-	23,212	302,137
Highways and Transport	(575,270)	-	-	2,907	(572,363)
Corporate and Democratic Services	(11,300)	(492,754)	-	25,588	(478,466)
Other Services	(315,249)	(28,515)	4,228,812	(4,723)	3,880,325
Central Support services	(372,540)	(348,307)	-	84,762	(636,085)
<b>Net Cost of Services</b>	<b>(6,126,925)</b>	<b>(2,410,000)</b>	<b>4,228,812</b>	<b>(144,237)</b>	<b>(4,472,350)</b>
Other Income and Expenditure from the Expenditure and Funding Analysis	53,678	(842,000)	-	-	(788,322)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(6,073,247)	(3,252,000)	4,228,812	(144,237)	(5,260,672)



3 Expenditure and Income Analysed by Nature

Expenditure		2018/19	2017/18
	Notes	£	£
Employee Benefits Expenses	7	26,754,349	23,842,145
Other Services Expenditure		45,285,227	33,162,296
Support Service Recharges		-	-
Depreciation, Amortisation, Impairment	11	7,580,751	7,289,912
Interest Payments	9	2,834,208	2,921,550
Gain on the Disposal of Assets	8	(136,821)	(8,692)
Other Expenditure		-	-
<b>Total Expenditure</b>		<b>82,317,714</b>	<b>67,207,211</b>

Income		2018/19	2017/18
	Notes	£	£
Fees, Charges and other service Income		(13,889,817)	(12,446,562)
Interest and Investment Income	9	(149,742)	(134,908)
District rate income	10	(48,162,515)	(45,672,052)
Government grants and Contributions	10	(6,562,873)	(4,816,811)
Support Service Income		-	-
Other Income		-	-
<b>Total Income</b>		<b>(68,764,947)</b>	<b>(63,070,333)</b>

<b>(Surplus) or Deficit on the Provision of Services</b>		<b>13,552,767</b>	<b>4,136,878</b>
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4 Adjustments between an Accounting Basis and Funding Basis under Regulations

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.

		2018/19	2017/18
	Notes	£	£
<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	11	22,527	83,675
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	11	3,902,040	(771,199)
Depreciation charged in the year on non-current assets	11	7,580,751	7,289,912
Net Revenue expenditure funded from capital under statute	12	901,288	(475,463)
Carrying amount of non current assets sold	8	117,842	15,233
Proceeds from the sale of PP&E, investment property and intangible assets	8a, 25d	(254,663)	(136,821)
		(136,821)	(23,925)
			(8,692)
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		-	-
Net charges made for retirement benefits in accordance with IAS 19	21	11,758,000	7,065,000
Direct revenue financing of Capital Expenditure	12	-	-
Capital Grants and Donated Assets Receivable and Applied in year	10c	(369,669)	(44,986)
Capital Grants Receivable and Unapplied in year	10c	(147,280)	-
Rates Claw-Back Reserve		-	-
Adjustments in relation to Short-term compensated absences	18	104,313	(407,623)
Adjustments in relation to Lessor Arrangements		-	-
Landfill Regulations Reserve Adjustment		-	-

Provisions Discount Rate Reserve Adjustment	27h	(11,914)	571,860
<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	27a	(4,929,322)	(4,228,812)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	21	(4,733,000)	(3,813,000)
		<b>13,940,913</b>	<b>5,260,672</b>

Employers contributions payable to NILGOSC and the retirement benefits payable direct to pensioners figure of £4,733k (2017/18 £3,813K) as shown in Note 4 excluded the following costs:

- Employers contributions payable to NICS- £257k (2017/18 £255k) in respect of planners.
- Additional costs of early retirement pension paid to NILGOSC of £733k (2017/18 £176k).
- An increase of £16k (2017/18 £61k reduction in cost) re accumulated absences.
- Employers contributions payable in respect of Councillors - £115K (2017/18 £108K) as included within Note 7d.

Net transfers (to)/from statutory and other earmarked reserves		2018/19	2018/19	2017/18	2017/18
	Notes	£	£	£	£
<b>Capital Fund</b>					
Interest		-	-	-	-
From Capital		(700,000)	-	-	-
Other	23	-	(700,000)	-	-
<b>Renewal and Repairs Fund</b>					
Interest		-	-	-	-
Other	27	-	-	-	-
<b>Capital Receipts Reserve</b>					
Interest		-	-	-	-
Other	27	-	-	-	-
<b>Other Funds and earmarked reserves</b>					
Interest		-	-	-	-
From Other funds		-	-	-	-
Other	23	418,150	418,150	(1,000,000)	(1,000,000)
<b>Unusable reserves</b>					
Capital Adjustment Account		-	-	-	-
			<b>(281,850)</b>		<b>(1,000,000)</b>

## 5 Cost of Services on Continuing Operations

### a 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 2018/19 (£nil in 2017/18).

### b 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.

	2018/19	2017/18
	£	£
External Audit Fees	57,500	57,500
Other Fees	23,101	37,000
Over accrual of Audit Fee	(2,500)	(2,500)
	<b>78,101</b>	<b>92,000</b>

The other fees of £23,101 (2017/18 £37,000) were incurred in respect of Council's Performance Improvement Audit and National Fraud Initiative. In 17/18 the Council incurred two years fees in respect of the Performance Improvement Audit.

6 Operating and Finance Leases  
Council as Lessor

a Finance Leases (Council as lessor)

The Council has a number of finance leases. However, the present value of the lease payments receivable under these arrangements are not material.

b Operating Leases (Council as lessor)

The Council 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 local businesses  
- any other purposes

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £277,566 (2017/18 £188,930). No Contingent rents were recognised.

The lease contracts are all non-cancellable and do not include an extension option. The lease terms are between 0 and 125 years. Future lease income is set out below:

	31st March 2019	31st March 2018
	£	£
Not later than 1 year	288,943	238,091
Later than 1 year and no later than 5 years	350,354	440,609
Later than 5 years	2,422,974	2,394,446
	3,062,271	3,073,146

Council as Lessee

c Finance Leases (Council as lessee)

Some of the Council's vehicles are held under finance lease. The net carrying amount of the vehicles held under finance lease arrangements is £46,629 (2017/18 £55,426). The assets are included under Vehicles, Plant & Equipment which form an integral part of property, plant and equipment (see Note 11h leased assets). The rentals paid for vehicles held under finance leases totalled £0 (2017/18 £3,142).

There are no further minimum finance lease payments to be made on these assets.

Furthermore the Council holds a number of long term leases (10,000 years) for items of land. Only a peppercorn rent is paid for this land and is therefore not disclosed.

d Operating Leases (Council as lessee)

The Council has acquired its office photocopiers, printers and motor vehicles by entering into operating leases with typical lives of 3/5 years.

The Council has acquired land (five locations) on payment of annual rents to Crown Estates. The Council leases part of the sea bed under operating lease arrangements in Carrickfergus.

The future minimum lease payments due under non-cancellable leases in future years are:

	2018/19		2017/18	
	Land and Buildings	Vehicles Plant and Equipment	Land and Buildings	Vehicles Plant and Equipment
	£	£	£	£
Not later than 1 year	155,694	78,486	195,123	92,737
Later than 1 year and no later than 5 years	185,552	118,117	248,396	63,721
Later than 5 years	1,484,856		1,515,949	
	1,826,102	196,603	1,959,468	156,458

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

	2018/19		2017/18	
	Land and Buildings	Vehicles Plant and Equipment	Land and Buildings	Vehicles Plant and Equipment
	£	£	£	£
Minimum lease payments	160,602	113,529	226,154	126,190
Contingent rentals	-	-	-	-
Less: Sublease payments receivable	-	-	-	-
Total	160,602	113,529	226,154	126,190

No sub-lease payments or contingent rent payments were made or received. No sublease income is expected as all assets held under operating lease agreements are used exclusively by Council.

7 Employee Costs and Member Allowances		
a Staff Costs		
	2018/19	2017/18
	£	£
Salaries and Wages	20,704,001	18,552,812
Employers NIC	1,967,553	1,754,785
Employers Superannuation	4,082,795	3,534,548
<b>Total staff costs</b>	<b>26,754,349</b>	<b>23,842,145</b>

In addition, agency costs during the year amounted to £4,617,791 (2017/18 £4,026,006).

The Council's current contribution rate to NILGOSC scheme is 19% (2017/18 18%) plus a Deficit Recovery Contribution of £276,100 (2017/18 £276,100).

At last actuarial valuation dated 31st March 2016 the funds assets were sufficient to meet 96% of liabilities accrued up to that date.

**Average Number of Employees - where FTE represents fulltime equivalent employees**

b Average Number of Employees		
	2018/19	Restated 2017/18
	FTE	FTE
Leisure & Recreation	211	172
Environmental Services	170	227
Planning and Development Services	77	100
Highways and Transport	-	-
Corporate and Democratic Services	157	41
Other Services	-	13
Central Support services	56	97
<b>Total Number</b>	<b>671</b>	<b>650</b>

	2018/19	2017/18
	Actual Numbers	Actual Numbers
Full-time numbers employed	563	601
Part-time numbers employed	170	163
<b>Total Number</b>	<b>733</b>	<b>764</b>

c Senior Employees Remuneration		
	2018/19	2017/18
	£	£
£50,001 to £60,000	14	17
£60,001 to £70,000	6	2
£70,001 to £80,000	3	-
£80,001 to £90,000	2	3
£90,001 to £100,000	-	1
£100,001 to £110,000	-	-
£110,001 to £120,000	1	1
<b>Total Number</b>	<b>26</b>	<b>24</b>

d Members Allowances		
	2018/19	2017/18
	£	£
Salaries	-	-
Basic allowance	588,021	579,514
Mayor's & Deputy Mayor's Allowance	13,598	13,332
Special Responsibility Allowances	55,632	54,540
Dependents' carers allowance	1,418	1,875
Employer costs	162,417	154,602
Mileage	46,355	43,153
Conferences and Courses	2,631	6,331
Travel & Subsistence Costs	11,057	21,333
Miscellaneous Costs	-	-
Severance Payments	-	-
<b>Total</b>	<b>881,129</b>	<b>874,680</b>

## 8 Northern Ireland Civil Service Pension Arrangements

As a result of Reform on 1st April 2015, staff transferred from Central Government to the Council are members of the Northern Ireland Civil Service Pension Scheme.

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Department for Communities is unable to identify its share of the underlying assets and liabilities.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the full scheme valuation. The 2012 scheme valuation was completed by GAD in February 2015. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2015 to 31 March 2019.

For 2018-19, employers' contributions of £257,174 were payable to the NICS pension arrangements at one of four rates in the range 20.8% to 26.3% of pensionable pay, based on salary bands.

Work has been completed on the 2016 valuation, based on the position as at 31 March 2016. The outcome of this scheme valuation informed employer contribution rates for 2019-20. Employer contributions rates payable will range from 28.7% to 34.2% of pensionable pay, based on salary bands.

None of Mid and East Antrim Borough Council employees have opted to open a partnership pension account.

During the year no employees retired early on ill-health grounds therefore there is no additional accrued pension liability for 2018/19.

## 8 Other Operating Income & Expenditure

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

	2018/19	2017/18
	£	£
Proceeds from sale	(254,663)	(23,925)
Carrying amount of non-current assets sold (excl Investment Properties)	117,842	15,233
	<u>(136,821)</u>	<u>(8,692)</u>

### b Other Operating Income / Expenditure

	2018/19	2017/18
	£	£
Income	-	-
Expenditure	-	-
	<u>-</u>	<u>-</u>

Other Operating Expenditure	2018/19	2017/18
	£	£
(Surplus) / Deficit on Non Current Assets	(136,821)	(8,692)
Other Operating (Income) / Expenditure	-	-
	<u>(136,821)</u>	<u>(8,692)</u>

## 9 Financing and Investment Income and Expenditure

### a Interest Payable and Similar Charges

	2018/19	2017/18
	£	£
Lease/hire purchase interest	-	360
Bank interest	-	-
Government Loan Interest	2,789,666	2,921,190
Commercial Loan Interest	-	-
Other interest - Short Term Loan Interest	44,542	-
	<u>2,834,208</u>	<u>2,921,550</u>

**b Interest and Investment Income**

	2018/19	2017/18
	£	£
Bank Interest	-	-
Employee car loan interest	-	88
NIHE Loan interest receivable	79,033	82,961
<i>Investment income on Fund Balances</i>		
Capital Fund	-	-
Repairs & Renewals Fund	-	-
Other Funds	-	-
Other Investment income	70,709	51,859
	<u>149,742</u>	<u>134,908</u>

**c Pensions interest costs and expected return on pensions assets**

	2018/19	2017/18
	£	£
Net interest on the net defined benefit liability (asset)	925,000	842,000
	<u>925,000</u>	<u>842,000</u>

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

	2018/19	2017/18
	£	£
Income from trading	-	-
Expenditure	-	-
(Surplus)/Deficit for the year	<u>-</u>	<u>-</u>

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

	2018/19	2017/18
	£	£
<b>Income/Expenditure from Investment Properties:</b>		
Income including rental income	(57,678)	(24,426)
Expenditure	11,105	19,767
<i>Net income from investment properties</i>	<u>(46,573)</u>	<u>(4,659)</u>
<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>	<u>-</u>	<u>-</u>
<b>Changes In Fair Value of Investment Properties</b>		
	21,229	49,935
	<u>(25,344)</u>	<u>45,276</u>

**Financing and Investment Income and Expenditure**

	2018/19			2017/18		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Interest Payable and Similar Charges	2,834,208	-	2,834,208	2,921,550	-	2,921,550
Interest and Investment Income	-	(149,742)	(149,742)	-	(134,908)	(134,908)
Pensions interest cost	925,000	-	925,000	842,000	-	842,000
Surplus/(Deficit) on trading operations	-	-	-	-	-	-
Other investment income	11,105	(57,678)	(46,573)	19,767	(24,426)	(4,659)
Changes in Fair Value of Investment Properties	21,229	-	21,229	49,935	-	49,935
	<u>3,791,542</u>	<u>(207,420)</u>	<u>3,584,122</u>	<u>3,833,252</u>	<u>(159,334)</u>	<u>3,673,918</u>

10 Taxation and Non Specific Grant Income

a Revenue Grants

	2018/19	2017/18
	£	£
General	(6,045,924)	(4,771,825)
Other	-	-
	<u>(6,045,924)</u>	<u>(4,771,825)</u>

b Revenue Grants - Unapplied

	2018/19	2017/18
	£	£
Government & Other Grants - Conditions met and applied in year	-	-
Other	-	-
	<u>-</u>	<u>-</u>

c Capital Grants and Donated Assets - Applied

	2018/19	2017/18
	£	£
Government & Other Grants - Conditions met and applied in year	(369,669)	(44,986)
Government & Other Grants - Transfer from receipts in advance	-	-
Donated Assets - Conditions met	-	-
Donated Assets - Transfer from donated assets creditor	-	-
	<u>(369,669)</u>	<u>(44,986)</u>

d Capital Grants - Unapplied

	2018/19	2017/18
	£	£
Government & Other Grants - Conditions met and not applied in year	-	-
Other	(147,280)	-
	<u>(147,280)</u>	<u>-</u>

e District Rates

	2018/19	2017/18
	£	£
Current year	(48,162,515)	(45,672,052)
Finalisation - previous year	-	-
Transitional Relief	-	-
Finalisation - other years	-	-
	<u>(48,162,515)</u>	<u>(45,672,052)</u>

Taxation and Non Specific Grant Income	2018/19	2017/18
	£	£
District Rate Income	(48,162,515)	(45,672,052)
Revenue Grants	(6,045,924)	(4,771,825)
Capital Grants and Contributions	(516,949)	(44,986)
	<u>(54,725,388)</u>	<u>(50,488,863)</u>

The Revenue Grants figure stated above includes £1,006K of backdated Rates Support Grant to 1 April 2015. This relates to a judgement being handed down after a Council sought a Judicial Review on how the Department for Communities allocated the grant.

Mid and East Antrim Borough Council  
Notes to the Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2019  
Long - Term Assets - Current Year

11 a

Cost or Valuation	Land	Buildings	Infrastructure Assets	Coastal Paths	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Non Operational Assets	Assets Held for Sale	TOTAL
<b>Balance as at 1 April 2018</b>	37,319,454	164,564,648	4,371,431	-	13,756,794	214,328	4,142,379	22,000	224,391,034	1,181,473	843,172	402,747	30,000	226,848,426
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2018</b>	37,319,454	164,564,648	4,371,431	-	13,756,794	214,328	4,142,379	22,000	224,391,034	1,181,473	843,172	402,747	30,000	226,848,426
Additions	-	1,560,726	-	432,305	1,179,938	31,390	813,975	-	4,018,334	-	-	-	-	4,018,334
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/ (decreases) to Revaluation Reserve	280,500	(1,005,177)	-	(123,833)	-	-	-	-	(848,510)	-	-	-	-	(848,510)
Revaluation increases/ (decreases) to Surplus or Deficit on the Provision of Services	(83,050)	(462,813)	-	(3,733,182)	-	-	-	-	(4,279,045)	-	(21,229)	-	-	(4,300,274)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	(16,500)	-	-	-	(1,411,614)	-	-	-	(1,428,114)	-	-	-	(30,000)	(1,458,114)
Derecognition - Other	-	-	-	-	-	-	(22,527)	-	(22,527)	-	-	-	-	(22,527)
Reclassifications & Transfers	(330,000)	(5,423,953)	-	9,043,700	-	-	(3,658,646)	-	(3,699,899)	-	368,899	-	-	-
Reclassified to(-) / from(+)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	37,170,404	159,233,431	4,371,431	5,618,990	13,525,118	245,718	1,275,181	22,000	221,462,273	1,181,473	1,190,842	402,747	-	224,237,335



Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Coastal Paths	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Non Operational Assets	Assets Held for Resale	TOTAL
<b>Balance as at 1 April 2018</b>	-	443,632	2,261,208	-	11,051,079	-	-	-	13,755,919	-	-	-	-	13,755,919
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2018</b>	-	443,632	2,261,208	-	11,051,079	-	-	-	13,755,919	-	-	-	-	13,755,919
Depreciation Charge	-	6,433,504	156,863	234,889	755,495	-	-	-	7,580,751	-	-	-	-	7,580,751
Depreciation written out on Revaluation Reserve	-	(6,032,549)	-	(17,369)	-	-	-	-	(6,049,918)	-	-	-	-	(6,049,918)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(180,714)	-	(217,520)	-	-	-	-	(398,234)	-	-	-	-	(398,234)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(1,340,272)	-	-	-	(1,340,272)	-	-	-	-	(1,340,272)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	-	663,873	2,418,071	-	10,466,302	-	-	-	13,546,246	-	-	-	-	13,546,246
Balance as at 31 March 2019	37,170,404	158,569,558	1,953,360	5,618,990	3,058,816	245,718	1,275,181	22,000	207,914,027	1,181,473	1,190,842	402,747	-	210,689,089

b Long - Term Assets - 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	Heritage Assets	Investment Properties	Non Operational Assets	Assets Held for Resale	TOTAL
<b>Balance as at 1 April 2017</b>	37,798,054	155,461,107	4,361,883	-	12,922,936	177,777	2,737,509	37,000	213,496,266	1,162,298	896,968	402,747	-	215,958,279
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2017</b>	37,798,054	155,461,107	4,361,883	-	12,922,936	177,777	2,737,509	37,000	213,496,266	1,162,298	896,968	402,747	-	215,958,279
Additions	4,300	746,361	9,248	-	1,138,501	36,273	3,665,227	-	5,599,910	-	(3,861)	-	-	5,596,049
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease to Revaluation Reserve	(148,550)	5,638,254	-	-	-	-	-	(15,000)	5,474,704	19,175	-	-	-	5,493,879
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	(304,350)	542,822	-	-	-	-	-	-	238,472	-	(49,935)	-	-	188,537
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(304,643)	-	-	-	(304,643)	-	-	-	-	(304,643)
Derecognition - Other	-	-	-	-	-	-	(83,675)	-	(83,675)	-	-	-	-	(83,675)
Reclassifications & Transfers	(30,000)	2,176,104	300	-	-	278	(2,176,682)	-	(30,000)	-	-	-	30,000	-
Reclassified to(-) / from(+)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	37,319,454	164,564,648	4,371,431	-	13,756,794	214,328	4,142,379	22,000	224,391,034	1,181,473	843,172	402,747	30,000	226,848,426

Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Non Operational Assets	Assets Held for Resale	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 April 2017</b>	-	314,382	2,104,345	-	10,460,333	-	-	-	12,879,060	-	-	-	-	12,879,060
cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 1 April 2017</b>	-	314,382	2,104,345	-	10,460,333	-	-	-	12,879,060	-	-	-	-	12,879,060
Depreciation Charge	-	6,252,893	156,863	-	880,156	-	-	-	7,289,912	-	-	-	-	7,289,912
Depreciation written out on Revaluation Reserve	-	(5,540,981)	-	-	-	-	-	-	(5,540,981)	-	-	-	-	(5,540,981)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(582,662)	-	-	-	-	-	-	(582,662)	-	-	-	-	(582,662)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(289,410)	-	-	-	(289,410)	-	-	-	-	(289,410)
Derecognition - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	-	443,632	2,261,208	-	11,051,079	-	-	-	13,755,919	-	-	-	-	13,755,919
<b>Net Book Values</b>														
Balance as at 31 March 2018	37,319,454	164,121,016	2,110,223	-	2,705,715	214,328	4,142,379	22,000	210,635,115	1,181,473	843,172	402,747	30,000	213,092,507
Balance as at 31 March 2019	37,170,404	158,569,558	1,953,360	5,618,990	3,058,816	245,718	1,275,181	22,000	207,914,027	1,181,473	1,190,842	402,747	-	210,689,089

#### 11 c Property, plant and equipment

##### Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Buildings and Coastal Paths - 30 - 50 years
- Vehicles, plant and equipment - 3 - 7 years
- Infrastructure - 10 - 54 years

##### Effects of Changes in Estimates

There were no material changes in the accounting estimates for property, plant and equipment during the period.

##### Revaluations

A full revaluation exercise for Council's freehold properties was carried out as at 31 March 2017 by an independent valuer from Land and Property Services (LPS).

In accordance with the statements of asset valuation practice and guidance notes of the Royal Institute of Chartered Surveyors from 1 April 2017 the Council has operated a rolling programme for its revaluation of freehold and leasehold properties with approximately 20% of these assets being revalued by physical inspection each year and the remainder being revalued by desktop exercise. This revaluation was also carried out by an independent valuer from LPS.

The LPS valuations for 31 March 2019 are fully reflected in the closing carrying values of Land, Buildings, Investment Properties and Surplus Assets.

#### d Intangible Assets

The Council does not own any Intangible Assets.

#### e Investment Properties

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

Investment Properties	31/03/2019	31/03/2018
	£	£
Rental Income from Investment Activities	57,678	24,426
Direct Operating expenses arising from investment properties	(11,105)	(19,767)
<b>Net gain/(loss)</b>	<b>46,573</b>	<b>4,659</b>

Gains or losses arising from changes in the fair value of the investment property are recognised in Surplus or Deficit on the Provision of Services – Financing and Investment Income and Expenditure line.

##### Valuation process for Investment Properties

The fair value of the Council's investment property is measured annually at each reporting date. All valuations are carried out by an independent valuer from Land and Property Services (LPS).

#### f Heritage Assets

Heritage Assets for Mid and East Antrim consist of the following for each legacy Council:

- Ballymena Legacy Council - Museum Collection £95,000, Civic Regalia £65,000, Mace £2,000 and Artwork £19,175.
- Carrickfergus Legacy Council - Paintings & Books £215,449, Sculptures £65,599 and other Artefacts £541,250.
- Larne Legacy Council - Art Collection £113,750, Ceremonial Dress £35,340 and other Heritage assets £28,910.

Ballymena and Larne Heritage assets were valued by a fine art consultant - Ballymena's museum collection at 31 March 2012, Civic Regalia and Mace 31 March 2013 and Artworks 31 March 2017 whilst Larne's Heritage assets were valued at 31 March 2014 and a professional valuer carried out a comprehensive valuation of Carrickfergus's assets in January 2013.

g Assets held for sale

Assets held for sale	Current	Non Current	Total
	£	£	£
<b>Cost or Valuation</b>			
Balance as at 1 April 2018	-	30,000	30,000
Adjustments between cost/value & depreciation/impairment	-	-	-
Transferred from Non-Current Assets during year	-	-	-
Assets Held for Sale Donations	-	-	-
Assets Held for Sale Revaluation increases/decreases to Revaluation Reserve	-	-	-
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	-	-	-
Assets Held for Sale Impairment @ Cost to Provision of Services	-	-	-
Derecognition - Disposals	-	(30,000)	(30,000)
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
<b>Balance as at 31 March 2019</b>	-	-	-
<b>Impairment</b>			
Balance as at 1 April 2018	-	-	-
Adjustments between cost/value & depreciation/impairment	-	-	-
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
<b>Balance as at 31 March 2019</b>	-	-	-
<b>Net Book Value</b>			
<b>Balance as at 31 March 2019</b>	-	-	-
<b>Balance as at 31 March 2018</b>	-	30,000	30,000

Assets held for sale	Current	Non Current	Total
	£	£	£
<b>Cost or Valuation</b>			
Balance as at 1 April 2017	-	-	-
Adjustments between cost/value & depreciation/impairment	-	-	-
Transferred from Non-Current Assets during year	-	-	-
Assets Held for Sale Donations	-	-	-
Assets Held for Sale Revaluation increases/decreases to Revaluation Reserve	-	-	-
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	-	-	-
Assets Held for Sale Impairment @ Cost to Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets	-	-	-
Transferred to Property, Plant & Equipment during year	-	30,000	30,000
<b>Balance as at 31 March 2018</b>	-	30,000	30,000
<b>Impairment</b>			
Balance as at 1 April 2017	-	-	-
Adjustments between cost/value & depreciation/impairment	-	-	-
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Reclassified from Current Assets Held for Sale to non current Assets	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
<b>Balance as at 31 March 2018</b>	-	-	-

#### h Long-Term Assets - Leased Assets

	Vehicles	Equipment	TOTAL
	£	£	£
<b>Cost or Valuation</b>			
At 1 April 2018	1,044,556	166,638	1,211,194
Additions	-	-	-
Disposals	-	(28,595)	(28,595)
<b>At 31 March 2019</b>	<b>1,044,556</b>	<b>138,043</b>	<b>1,182,599</b>
<b>Depreciation</b>			
At 1 April 2018	989,130	158,306	1,147,436
Disposals	-	(27,165)	(27,165)
Provided for year	8,796	1,866	10,662
<b>At 31 March 2019</b>	<b>997,926</b>	<b>133,007</b>	<b>1,130,933</b>
<b>Net Book Value</b>	<b>46,630</b>	<b>5,036</b>	<b>51,666</b>

	Vehicles	Equipment	TOTAL
	£	£	£
<b>Cost or Valuation</b>			
At 1 April 2017	1,044,556	166,638	1,211,194
Additions	-	-	-
Disposals	-	-	-
<b>At 31 March 2018</b>	<b>1,044,556</b>	<b>166,638</b>	<b>1,211,194</b>
<b>Depreciation</b>			
At 1 April 2017	967,663	156,440	1,124,103
Disposals	-	-	-
Provided for year	21,467	1,866	23,333
<b>At 31 March 2018</b>	<b>989,130</b>	<b>158,306</b>	<b>1,147,436</b>
<b>Net Book Value</b>	<b>55,426</b>	<b>8,332</b>	<b>63,758</b>

#### i Fair Value Hierarchy for Surplus Assets

Details of the Council's surplus assets and information about the fair value hierarchy as at 31 March 2019 and 2018 are as follows:

2018/19 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2019
	£	£	£	£
Type 1	22,000	-	-	22,000
Type 2	-	-	-	-
Type 3	-	-	-	-
<b>Total</b>	<b>22,000</b>	<b>-</b>	<b>-</b>	<b>22,000</b>

2017/18 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2018
	£	£	£	£
Type 1	22,000	-	-	22,000
Type 2	-	-	-	-
Type 3	-	-	-	-
<b>Total</b>	<b>22,000</b>	<b>-</b>	<b>-</b>	<b>22,000</b>

#### Transfers between levels of the fair value hierarchy

There were no transfers between Levels 1 and 2 during the year.

#### Highest and best use of surplus assets

In estimating the fair value of the Council's surplus assets, the highest and best use of the assets is their current use.

#### Valuation Techniques

There has been no change in the valuation techniques used during the year for surplus assets.

#### Valuation Process for Surplus Assets

Land and Property services have valued Mid and East Antrim's surplus assets using the highest and best use basis of valuation.

## 1 Fair Value Hierarchy for Investment Properties

Details of the Council's Investment Properties and information about the fair value hierarchy as at 31 March 2019 and 2018 are as follows

2018/19 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2019
	£	£	£	£
Residential (Market Rental) Properties	1,190,842	-	-	1,190,842
Office units	-	-	-	-
Commercial Units	-	-	-	-
<b>Total</b>	<b>1,190,842</b>			<b>1,190,842</b>

2017/18 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2018
	£	£	£	£
Residential (Market Rental) Properties	843,172	-	-	843,172
Office units	-	-	-	-
Commercial Units	-	-	-	-
<b>Total</b>	<b>843,172</b>			<b>843,172</b>

### Transfers between levels of the fair value hierarchy

There were no transfers between Levels 1 and 2 during the year.

### Valuation Techniques

There has been no change in the valuation techniques used during the year for investment Properties.

## 12 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that is yet to be financed. The CFR is analysed in the second part of this note.

Capital Expenditure		2018/19	2017/18
		£	£
<b>Opening Capital Financing Requirement</b>		67,572,486	66,936,207
<b>Capital Investment</b>			
Property, Plant and Equipment	11	4,018,334	5,599,910
Investment Properties		-	(3,861)
Intangible Assets		-	-
Revenue Expenditure Funded from Capital under Statute	4	901,288	(475,463)
Investments		-	-
<b>Sources of Finance</b>			
Capital Receipts		(137,163)	(23,925)
Government Grants and Other Contributions	10	(369,669)	(44,986)
Transfers from Earmarked Reserves	26c	(70,990)	(186,584)
<b>Sums set aside from Revenue:</b>			
Direct Revenue Contributions		-	-
Minimum Revenue Provision		(4,929,322)	(4,228,812)
<b>Closing Capital Financing Requirement</b>		<b>66,984,964</b>	<b>67,572,486</b>
<b>Explanation of Movements in Year</b>			
		2018/19	2017/18
		£	£
Increase/(decrease) in underlying need to borrow		(587,522)	582,477
Assets acquired under finance leases		-	-
Assets acquired under PFI/PPP contracts		-	-
<b>Increase/(decrease) in Capital Financing Requirement</b>		<b>(587,522)</b>	<b>582,477</b>

### 13 Future Capital Commitments

Of the capital commitments disclosed below £1,629k (2017/18 £400k) of this relates to REFCUS.

	Gross Cost £	Grant Aid £	Net Cost £
Schemes underway	13,211,599	2,607,234	10,604,365
Other Commitments	7,665,705	3,585,000	4,080,705
<b>Total</b>	<b>20,877,304</b>	<b>6,192,234</b>	<b>14,685,070</b>

Inventories	2018/19 £	2017/18 £
Garage	-	10,543
Bins	55,571	62,352
Trading Outlets	80,092	93,355
Stationery	16,052	18,092
Other	134,232	81,175
<b>Total</b>	<b>285,947</b>	<b>265,517</b>

The above figures are stated net of an obsolete provision of £15,050 (2017/18 £13,975)

Debtors	2018/19 £	2017/18 £
<b>a Long Term Debtors</b>		
Government Departments	-	-
Other Councils	-	-
Public corporations and trading funds	-	-
Bodies external to general government	-	-
Employee car loans	5,194	-
Revenue Grants	-	-
Capital Grants	-	-
Interest Receivable	-	-
Capital Debtors	-	-
Loans and advances	-	-
Finance lease debtors	-	-
Trade debtors	-	-
NIHE Loans	1,206,342	1,296,131
Land fill Asset	471,860	-
Other	-	-
Impairment of loans and receivables	-	-
Contract Receivables	-	-
<b>Total Long-Term Debtors</b>	<b>1,683,396</b>	<b>1,296,131</b>
<b>b Short Term Debtors</b>		
Government Departments	2,543,936	439,640
Other Councils	81,406	142,676
Public corporations and trading funds	-	-
Bodies external to general government	90,486	114,281
NIHE loans	89,789	84,307
Employee car loans	1,833	-
Revenue Grants	2,008,505	2,126,767
Capital Grants	364,405	-
Interest Receivable	13,323	10,424
Capital Debtors	-	-
Value Added Tax	1,400,874	1,330,387
Prepayments	540,314	326,839
Land fill Asset	50,609	-
Other	483,927	155,306
Trade receivables	672,780	624,381
Impairment loss - Trade receivables	(73,674)	(70,765)
Contract Receivables	-	-
<b>Total Short-Term Debtors</b>	<b>8,268,513</b>	<b>5,284,243</b>
<b>Total Debtors</b>	<b>9,951,909</b>	<b>6,580,374</b>

Council acquired Car Parks from the Department of the Environment on the 1st April 2015. Any outstanding parking notices issued prior to this date were also transferred to the Council. Due to the age of the debt, Council has treated these as unrecoverable and therefore has not included these figures in the accounts.



#### 16 a Investments

The Council does not hold any long term investments.

b Short-Term Investments		2018/19	2017/18
		£	£
Investments - general		-	-
Investments - Deposits for landfill		2,163,763	2,122,286
Investments - capital fund		-	-
Investments - other		6,389,362	8,044,184
<b>Total Short-term Investments</b>		<b>8,553,125</b>	<b>10,166,470</b>

Analysed over:		2018/19	2017/18
		£	£
Money market deposits		-	-
Other deposits		8,553,125	10,166,470
<b>Total Short-term Investments</b>		<b>8,553,125</b>	<b>10,166,470</b>

Total Long Term and Short-term Investments		8,553,125	10,166,470
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The Council also administers £302,197 (2017/18 £297,673) of third party investments, these values are not included in the accounts of Mid and East Antrim Borough Council.

The Legacy Lame Borough Council received a donation from Fort James Paper Mill to be used for the benefit of the people of Lame, at 31 March 2019 the balance on deposit was £2,198 (2017/18 £2,198). It also had investments in the Northern Ireland Central Investment Fund for Charities of £36,372 (2017/18 £34,297) and a Charities account of £13,760 (2017/18 £12,572). The Legacy Carrickfergus Borough Council had an investment Legg Trust Fund with a balance of £248,824 at 31 March 2019 (2017/18 £247,159).

Third party investments also include the Lame Coal Fund of £0 (2017/18 £356) and council bank deposits for various community groups of £1,043 (2017/18 £1,091).

#### 17 Borrowings

a Short Term Borrowing		2018/19	2017/18
		£	£
Loans re-payable within one year		11,731,612	8,461,005
Finance Lease Principal		-	-
<b>Total Short Term Borrowing</b>		<b>11,731,612</b>	<b>8,461,005</b>

b Long Term Borrowing		2018/19	2017/18
		£	£
Between 1 and 2 years		3,061,520	3,331,612
Between 2 and 5 years		8,977,665	9,037,620
Between 5 and 10 years		14,486,942	14,674,927
In more than 10 years		24,540,578	27,354,157
<b>Government Loans Fund</b>		<b>51,066,705</b>	<b>54,398,316</b>
<b>Total Borrowing</b>		<b>62,798,317</b>	<b>62,859,321</b>

Interest rates on borrowing range between 0.87% and 11.375%.

#### 18 Creditors

a Short Term Creditors		2018/19	2017/18
		£	£
Government Departments		569,744	468,746
Other Councils		82,870	102,628
Public corporations and trading funds		-	-
Bodies external to general government		322,210	342,848
Rates clawback		-	-
VAT		-	-
Remuneration due to employees		210,746	98,364
Accumulated Absences		557,995	453,682
Loan Interest Payable		444,846	462,536
Capital Creditors		195,613	998,537
Receipts in advance		408,778	416,083
Trade creditors		3,180,960	2,604,789
Other		53,802	139,114
Contract Payables		-	-
<b>Total Short Term Creditors</b>		<b>6,027,564</b>	<b>6,087,327</b>

b Long Term Creditors		2018/19	2017/18
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		-	-
Contract Payables		-	-
<b>Total Long Term Creditors</b>		-	-
<b>Total Creditors</b>		<b>6,027,564</b>	<b>6,087,327</b>

### c Payment of Invoices

The council has a target, where no other terms are agreed, of paying supplier invoices within 30 calendar days. During the year the Council paid 26,051 invoices totalling £43,835,514.

The number of disputed invoices were 492.

The Council paid:

21,594 (82.89%) invoices with 30 calendar days target;  
11,716 (44.97%) invoices within 10 working days target; and  
4,457 invoices outside of the 30 day target.

19

Provisions	Balance as at 1 April 2018 £	Increase in provision during year £	Utilised during year £	Unused amounts reversed £	Interest cost and/or discount rate changes £	Balance as at 31 March 2019 £
Landfill closure	2,122,285	648,915	(84,970)	-	-	<b>2,686,230</b>
Insurance	369,000	142,830	(68,057)	(70,166)	-	<b>373,607</b>
Single Status	367,453	4,585	-	(96,108)	-	<b>275,930</b>
Other	250,000	-	-	-	-	<b>250,000</b>
<b>Total</b>	<b>3,108,738</b>	<b>796,330</b>	<b>(153,027)</b>	<b>(166,274)</b>	<b>-</b>	<b>3,585,767</b>

Current Provisions	743,632	126,680	(98,581)	(110,141)	-	<b>661,590</b>
Long Term Provisions	2,365,106	669,650	(54,446)	(56,133)	-	<b>2,924,177</b>
<b>Total</b>	<b>3,108,738</b>	<b>796,330</b>	<b>(153,027)</b>	<b>(166,274)</b>	<b>-</b>	<b>3,585,767</b>

### Comparative Year

Provisions	Balance as at 1 April 2017 £	Increase in provision during year £	Utilised during year £	Unused amounts reversed £	Interest cost and/or discount rate changes £	Balance as at 31 March 2018 £
Landfill closure	1,506,517	635,644	(19,876)	-	-	<b>2,122,285</b>
Insurance	377,018	254,000	(92,918)	(169,100)	-	<b>369,000</b>
Single Status	358,812	27,599	-	(18,958)	-	<b>367,453</b>
Other	250,000	-	-	-	-	<b>250,000</b>
<b>Total</b>	<b>2,492,347</b>	<b>917,243</b>	<b>(112,794)</b>	<b>(188,058)</b>	<b>-</b>	<b>3,108,738</b>

Current Provisions	525,771	309,099	(38,460)	(52,778)	-	<b>743,632</b>
Long Term Provisions	1,966,576	608,144	(74,334)	(135,280)	-	<b>2,365,106</b>
<b>Total</b>	<b>2,492,347</b>	<b>917,243</b>	<b>(112,794)</b>	<b>(188,058)</b>	<b>-</b>	<b>3,108,738</b>

### Landfill closure

The landfill closure provision relates to the subsequent closure costs for the closed Ballymacvea landfill site for the next 49 years. A full revaluation of the provision was carried out during the year ended 31 March 2014 by RPS Consulting Engineers and the valuation has been discounted in line with real discount rates at 31 March 2019 i.e. the discount rates are based on the National Loans fund borrowing rates.

An asset has been created for the income for gas electricity generated by the landfill's gas management system. It has been estimated that the gas management system will generate income for approximately a further 13 years this income has also been discounted using real discount rates.

### Insurance

The insurance provision relates to the Council's estimated self insurance liability re employers and public liability claims lodged against Council. It would be expected that the majority of this expenditure will be incurred within the next three to five years.

**Single Status**

This provision relates to the estimated cost of Council's obligations to its employees under the National Agreement on Pay and Conditions of Service ("The Green Book") which the Council expects to finalise within the coming year. The majority of those obligations under the Green Book have been determined and agreed.

**Other**

This provision relates to the estimated cost of a Judicial Review and High Court actions.

**20 Financial Instruments**

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

**Credit Risk**

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

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

Trade debtors, inclusive of VAT, can		£
Less than three months		335,804
Three to six months		7,089
Six months to one year		68
More than one year		57,137
		<b>400,098</b>

There is no historical experience of default in relation to deposits with banks and other financial institutions. Therefore there is no estimated exposure to risk of default.

**Liquidity Risk**

As the Council has ready access to borrowings from the Department of Finance's Consolidated Fund, there is no significant risk that it will be unable to raise finance to meet its commitments under Financial Instruments. The maturity analysis of financial liabilities is included in notes 17 to 19. All trade and other payables are due for payment within one year.

**Market Risk**

Interest rate risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its investments. The Council is in receipt of loans from the Department of Finance, however these loans are at fixed concessionary interest rates that differ from the prevailing market rates.

**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 at concessionary interest rates that differ from the prevailing market rates. The fair value of these loans is £75,081,620 broken down as follows:

	£
Government Loans	75,081,620
Market Loans	-
<b>Total</b>	<b>75,081,620</b>

**Soft Loans**

The Council has made no material soft loans during the year.

**Employee Car Loans**

The Council continues to recoup a car loan from an employee who transferred from another Council.

## 21 Retirement Benefits

### a Participation in the Northern Ireland Local Government Officers' Pension Fund.

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

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

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

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	2018/19 £	2017/18 £
<b>Net cost of services:</b>			
Current service cost		6,694,000	5,855,000
Past service cost/(gain)		4,139,000	368,000
Gains and losses on settlements or curtailments		-	-
<b>Net operating expenditure:</b>			
Net interest on net defined benefit Liability (asset)		925,000	842,000
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>		<b>11,758,000</b>	<b>7,065,000</b>
<b>Movement in Reserves Statement:</b>			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(11,758,000)	(7,065,000)
<b>Actual amount charged against the general fund balance for pensions in the year:</b>			
Employers' contributions payable to scheme		4,733,000	3,813,000
<b>Net adjustment to General Fund</b>		<b>(7,025,000)</b>	<b>(3,252,000)</b>

The service cost figures include an allowance for administration expenses of £77,000.

Remeasurements recognised in Other Comprehensive Income and Expenditure	Note	2018/19 £	2017/18 £
Liability gains/(losses) due to change in assumptions		(10,612,000)	(3,125,000)
Liability gains/(losses) due to demographic changes		7,617,000	-
Liability experience gains/(losses) arising in the year		(233,000)	(715,000)
Actuarial gains/(losses) on plan assets		6,299,000	3,450,000
Other		-	-
<b>Total gains/(losses) recognised in Other Comprehensive Income and Expenditure</b>		<b>3,071,000</b>	<b>(390,000)</b>

Assets and liabilities in relation to retirement benefits			
Reconciliation of present value of the scheme liabilities	Note	2018/19 £	2017/18 £
Balance as at 1 April		176,464,000	165,070,000
Current service cost		6,694,000	5,855,000
Interest cost		4,551,000	4,255,000
Contributions by members		1,240,000	1,112,000
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		10,612,000	3,125,000
Actuarial gains/losses arising from demographic changes		(7,617,000)	-
Actuarial gains/losses arising on liabilities from experience		233,000	715,000
Other (if applicable)		-	-
Post service costs/(gains)		4,139,000	368,000
Losses/(gains) on curtailments		-	-
Liabilities extinguished on settlements		-	-
Estimated unfunded benefits paid		(54,000)	(53,000)
Estimated benefits paid		(4,112,000)	(3,983,000)
<b>Balance as at 31 March</b>		<b>192,150,000</b>	<b>176,464,000</b>

Reconciliation of present value of the scheme assets	Note	2018/19 £	2017/18 £
Balance as at 1 April		138,538,000	130,786,000
Interest income		3,626,000	3,413,000
Contributions by members		1,240,000	1,112,000
Contributions by employer		4,679,000	3,760,000
Contributions in respect of unfunded benefits		54,000	53,000
Remeasurement gain/(loss)		6,299,000	3,450,000
Assets distributed on settlements		-	-
Unfunded benefits paid		(54,000)	(53,000)
Benefits paid		(4,112,000)	(3,983,000)
<b>Balance as at 31 March</b>		<b>150,270,000</b>	<b>138,538,000</b>

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was a gain of £9,925,000 (2017/18 gain of £6,863,000).

Fair Value of Plan Assets	2018/19 £	2017/18 £
Equity investments	89,410,650	98,916,132
Bonds	35,313,450	17,178,712
Property	16,830,240	13,853,800
Cash	4,057,290	6,234,210
Other	4,658,370	2,355,146
	<b>150,270,000</b>	<b>138,538,000</b>

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

Details of estimates made by the Fund Manager when assessing the fair values of plan assets

The amounts included in the fair value of plan assets for property occupied by the Council was £0.

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

	2018/19 £	2017/18 £
Fair Value of Employer Assets	150,270,000	138,538,000
Present value of funded defined benefit obligation	(191,276,000)	(175,555,000)
Pension asset/(liability) of Funded Scheme	(41,006,000)	(37,017,000)
Present Value of unfunded defined benefit obligation	(874,000)	(909,000)
Other movement in the liability (asset) (if applicable)	-	-
<b>Net asset/(liability) arising from the defined benefit obligation</b>	<b>(41,880,000)</b>	<b>(37,926,000)</b>
Amount in the Balance sheet:		
Liabilities	(41,880,000)	(37,926,000)
Assets	-	-
<b>Net Asset/(Liability)</b>	<b>(41,880,000)</b>	<b>(37,926,000)</b>

Scheme History		
Analysis of scheme assets and liabilities	2018/19	2017/18
	£	£
Fair Value of Assets in pension scheme	150,270,000	138,538,000
Present Value of Defined Benefit Obligation	(192,150,000)	(176,464,000)
<b>Surplus/(deficit) in the Scheme</b>	<b>(41,880,000)</b>	<b>(37,926,000)</b>
Amount recognised in Other Comprehensive Income and Expenditure		
	2018/19	2017/18
	£	£
Actuarial gains/(losses)	(3,228,000)	(3,840,000)
Expected Return on Plan Assets	6,299,000	3,450,000
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	-	-
Remeasurements recognised in Other Comprehensive Income and Expenditure	3,071,000	(390,000)
Cumulative actuarial gains and losses	(186,000)	(3,257,000)
<b>History of experience gains and losses:</b>		
Experience gains and (losses) on assets	-	-
Experience gains and (losses) on liabilities	(233,000)	(715,000)

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £38,490,000 has a substantial impact on the net worth of the Council as recorded in the Balance Sheet.

However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit on the Northern Ireland Local Government Officers' Pension Fund will be made good by increased contributions over the remaining working life of employees, assessed by the scheme actuary.

#### Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2020

	31/03/2020	31/03/2020
	£	%
Projected current cost	7,129,000	89.1%
Net interest on the net defined benefit liability (asset)	872,000	10.9%
Past service cost	-	0.0%
Gains and losses on settlements or curtailments	-	0.0%
	<b>8,001,000</b>	<b>100.0%</b>

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the council in the year to 31 March 2020 is £8,001,000.

#### History of experience gains and losses

The actuarial gains/losses identified as movements on the Pensions Reserve 2018/19 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2019.

	2018/19	2017/18
	%	%
Experience (gains and (losses) on Assets	0.00%	0.00%
Experience gains and (losses) on Liabilities	0.12%	0.41%

#### 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 Limited, 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.

Pension scheme assumptions:	2018/19		2017/18	
	%		%	
Equity investments	59.5%		71.4%	
Bonds	23.5%		12.4%	
Property	11.2%		10.0%	
Cash	2.7%		4.5%	
Other	3.1%		1.7%	
<b>Mortality assumptions:</b>				
Longevity at 65 current pensioners:	Years		Years	
Men	22.6		23.3	
Women	24.9		25.9	
Longevity at 65 for future pensioners:				
Men	24.3		25.5	
Women	26.7		28.2	
Inflation/Pension Increase Rate	2.20%		2.10%	
Salary Increase Rate	3.70%		3.60%	
Expected Return on Assets	0.00%		0.00%	
Discount Rate	2.40%		2.60%	
Pension accounts revaluation rate	2.20%		2.10%	
<b>Take-up of option to convert annual pension into retirement lump sum:</b>				
Service to April 2009	0%		0%	
Service post April 2009	0%		0%	

#### 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 2019 is set out below.

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

#### Funded Pension Scheme Benefits

Discount Rate Assumption		
	+0.1%p.a.	-0.1%p.a.
Adjustment to discount rate		
Present value of the total obligation	184,278	191,565
% change in the present value of the total obligation	-1.90%	2.00%
Projected service cost	6,922,000	7,341,000
Approximate % change in projected service cost	-2.90%	3.00%
Rate of General Increase in Salaries		
	+0.1%p.a.	+0.1%p.a.
Adjustment to salary increase rate		
Present value of the total obligation	188,900,000	186,882,000
% change in the present value of the total obligation	0.50%	-0.50%
Projected service cost	7,129,000	7,129,000
Approximate % change in projected service cost	0.00%	0.00%
Rate of Increase to Pensions in Payment and Deferred Pension Assumption		
	+0.1%p.a.	+0.1%p.a.
Adjustment to pension increase rate		
Present value of the total obligation	190,540,000	185,272,000
% change in the present value of the total obligation	1.40%	-1.40%
Projected service cost	7,341,000	6,922,000
Approximate % change in projected service cost	3.00%	-2.90%
Post Retirement Mortality Assumption		
	- 1 Year	- 1 Year
Adjustment to mortality age rating assumption*		
Present value of the total obligation	193,874,000	181,950,000
% change in the present value of the total obligation	3.20%	-3.20%
Projected service cost	7,398,000	6,862,000
Approximate % change in projected service cost	3.80%	-3.70%

\* 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 them.

#### f Major categories of plan assets as percentage of total plan assets

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

	31/03/2019		31/03/2018	
	%	%	%	%
Equity investments	59.50%		71.40%	
Government Bonds	16.50%		5.20%	
Corporate Bonds	7.00%		7.20%	
Property	11.20%		10.00%	
Cash	2.70%		4.50%	
Other	3.10%		1.70%	
<b>Total</b>	<b>100.00%</b>		<b>100.00%</b>	

#### g Allowance for the McCloud Judgement and GMP Indexation/Equalisation

Retirement Benefits Note 21 includes an estimated allowance for additional liabilities that are now probable arising from the McCloud Judgement and GMP Indexation and Equalisation cases outlined below.

The additional liability is shown as a Past Service Cost over the accounting period based on an effective date of 31 March 2019.

##### McCloud Judgement

In December 2018 the Court of Appeal ruled in the 'McCloud/Sargeant' judgement that the transitional protection arrangements put in place when the Firefighters' and Judges' pension schemes were reformed were age discriminatory. The Government applied to the Supreme Court for permission to appeal this judgement, however the Supreme Court rejected the request on 27/06/19. The next stage is for the case to be referred to the Employment Tribunal to agree the remedy, following appropriate consultation.

While the judgement was not in relation to members with Local Government Pension Scheme (NI) benefits it would be reasonable to assume that the Government will now seek remedy for all public sector schemes, including Local Government Pension Scheme (NI).

The additional liability was calculated to be 3.2% of the Council's active liabilities using a salary increase assumption of 1.5% above CPI inflation

##### GMP Indexation and Equalisation

Guaranteed Minimum Pension (GMP) is a portion of pension that is payable to members who were contracted out of the State Second Pension and accrued benefits in the scheme between 6 April 1978 and 5 April 1997. The LGPS (NI) was contracted out.

The GMP was intended to approximately replace the State Pension which members were giving up, however the payment terms of GMP are different between men and women, which was a consequence of the state pension itself being unequal at that time.

On 26/10/18 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs is required.

The estimated liability has been based on a typical Local Government pension fund to quantify the value of fully indexing GMP's in line with CPI inflation for those reaching Second State Pension age after 5 December 2018. This was calculated to be 0.3% of the liabilities / defined benefit obligation.

#### h Northern Ireland Civil Service Pension Arrangements

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 31/03/2016. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowances Resource Accounts as at 31 March 2019.

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the state pension prior to 6 April 1997. At present there is an inequality of benefits between male and female members who have GMP. Although the Government intends that GMP should be equalised, at present it is not clear how this equalisation will be implemented. In July 2014 the Government stated an intention to develop fully considered proposals and to publish guidance when this work is completed, but no target date was given. The impact of any liabilities relating to the Council is therefore uncertain and no provision has been made in these financial statements.

22	Donated Assets Account	Note	2018/19	2017/18
			£	£

The Council has no donated assets.



23	Capital Grants Received in Advance	Note	2018/19 £	2017/18 £
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The Council has not received any capital grants in advance.

24	Contingencies
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The Northern Ireland Environment Agency reviews the adequacy of the Council's Financial Provision for landfill capping and aftercare costs in line with it's paper "Financial provision for Waste Management activities in NI". As a consequence the current landfill closure provision in the financial statements may change. In addition Council may incur further costs in respect of their landfill site's gas management system.

The Arc 21 Joint Committee has with the approval of their participant Council's entered into a Contingent Liability undertaking with the bidding consortium in the procurement of the Residual Waste Treatment project and Mid and East Antrim 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.

Mid and East Antrim Borough Council  
Notes to the Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2019

25 Other cash flow disclosures

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

Adjustment to surplus or deficit on the provision of services for noncash movements	Notes	2018/19	2017/18
		£	£
Depreciation	11	7,580,751	7,289,912
Impairment & downward revaluations (& non-sale derecognitions)	11	3,880,811	(821,134)
Amortisation (included with depreciation above)		-	-
(Increase)/Decrease in inventories		(20,430)	(7,094)
(Increase)/Decrease in Debtors		(3,374,444)	(1,145,068)
Increase/(decrease) in impairment provision for bad debts		2,909	(3,286)
Increase/(Decrease) in Creditors		(59,763)	(300,980)
Increase/(Decrease) in Interest Creditors		-	-
Payments to NILGOSC	21	7,025,000	3,252,000
Carrying amount of non-current assets sold	8	117,842	15,233
AIC/WIP written off to Net Cost of Services	11	22,527	83,675
Contributions to Other Reserves/Provisions		477,032	616,391
Movement in value of investment properties-included above in Impairment & downward revaluations (& non-sale derecognitions)		21,229	49,935
Amounts posted to CIES from Donated Assets Account		-	-
Contract Costs		-	-
Contract Assets		-	-
Contract Liabilities		-	-
Deferred revenue		-	-
		15,673,464	9,029,584

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	Notes	2018/19	2017/18
		£	£
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		1,613,345	1,262,474
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		(254,663)	(23,925)
Capital grants included in "Taxation & non-specific grant income"		(516,949)	(44,986)
		841,733	1,193,563

**b 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:

	2018/19	2017/18	2016/17
	£	£	£
Cash and Bank balances	1,727,563	2,072,861	70,478
Short Term Deposits (considered to be Cash Equivalents)	-	-	-
Short Term Investments (considered to be Cash Equivalents)	-	-	-
Bank Overdraft	-	-	(126,995)
	1,727,563	2,072,861	(56,517)

<b>c Cash Flow Statement: Operating Activities</b>		2018/19	2017/18
The cash flows from operating activities include:		£	£
Interest received		149,742	134,994
Interest paid		(2,834,208)	(2,921,637)

<b>d Cash flows from Investing Activities</b>		2018/19	2017/18
		£	£
Purchase of PP&E, investment property and intangible assets		4,018,334	5,596,049
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		(254,663)	(23,925)
Proceeds from Short Term Investments (not considered to be cash equivalents)		-	-
Proceeds from Long Term Investments		-	-
Capital Grants and Contributions Received		(516,949)	(44,986)
Other Receipts from Investing Activities		-	-
<b>Net Cash flows from Investing Activities</b>		<b>3,246,722</b>	<b>5,527,138</b>

<b>e Cash flows from Financing Activities</b>		2018/19	2017/18
		£	£
Cash Receipts from Short and Long Term Borrowing		8,400,000	5,284,000
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		-	(2,782)
Repayment of Short and Long Term Borrowing		(8,461,006)	(3,710,971)
Other payments for Financing Activities		-	-
<b>Net Cash flows from Financing Activities</b>		<b>(61,006)</b>	<b>1,570,247</b>

## 26 Usable Reserves

### a 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.

The Capital Receipts Reserve is credited with the proceeds from fixed asset sales and other monies defined by statute as capital receipts. These are originally credited to the Comprehensive Income and Expenditure Statement as part of the gain/loss on disposal and posted out via the Movement in Reserves Statement to the Capital Receipts Reserve. The reserve is written down when resources are applied to finance new capital expenditure or set aside to reduce an authority's capital financing requirement (or used for other purposes permitted by statute).

Capital Receipts Reserve	Notes	31/03/2019	31/03/2018
		£	£
<b>At 1 April</b>		-	-
<b>Movement</b>			
Transfers between statutory & other reserves & the General Fund		-	-
Disposal of Non Current Assets/ Capital Sales	4, 11, 24	254,663	23,925
Capital Receipts used to finance capital expenditure	4, 12	(137,163)	(23,925)
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>117,500</b>	<b>-</b>

### b 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	31/03/2019	31/03/2018
		£	£
<b>At 1 April</b>		-	-
<b>Movement</b>			
Unapplied Capital Grants received in year		147,280	-
Unapplied Capital Grants transferred to CAA in year		-	-
<b>At 31 March</b>		<b>147,280</b>	<b>-</b>

### c Capital 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.

Capital Fund	Notes	31/03/2019	31/03/2018
		£	£
<b>At 1 April</b>		5,064,855	5,251,439
Transfers between statutory & other reserves & the General Fund		700,000	-
Transfers between Capital Fund & CAA to finance Capital Expenditure	12	(70,990)	(186,584)
<b>At 31 March</b>		<b>5,693,865</b>	<b>5,064,855</b>

	£
Fund for Legacy Ballymena Borough Council Capital Projects	3,294,639
Fund for Mid and East Antrim Borough Council Capital Projects	2,399,226
<b>Total</b>	<b>5,693,865</b>

#### d 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.

Renewal and Repairs Fund		Notes	31/03/2019	31/03/2018
			£	£
At 1 April			2,725,617	2,725,617
Transfers between statutory & other reserves & the General Fund			-	-
Transfers between Renewal & Repair Fund & CAA to finance Capital Expenditure	12		-	-
<b>At 31 March</b>			<b>2,725,617</b>	<b>2,725,617</b>

	£
General	2,725,617
<b>Total</b>	<b>2,725,617</b>

#### e Other Balances & Reserves

Other Balances & Reserves		Notes	31/03/2019	31/03/2018
			£	£
At 1 April			3,742,964	2,742,964
Transfers between statutory & other reserves & the General Fund	4		(418,150)	1,000,000
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	11		-	-
<b>At 31 March</b>			<b>3,324,814</b>	<b>3,742,964</b>

This reserve is used to equalise (smooth) the cost of elections by building up a fund to cover the costs of future elections by making contributions, as and when required, to the reserve as well as provide for legal costs and other miscellaneous costs.

## f 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	31/03/2019	31/03/2018
		£	£
At 1 April		4,094,437	3,970,643
Applied Capital Grants	10, 12	(369,669)	(44,986)
Unapplied Capital Grants received in year		(147,280)	-
Direct Revenue Financing	4, 12	-	-
Depreciation and Impairment adjustment	4	11,505,318	6,602,388
Statutory Provision for financing Capital Investment	4	(4,929,322)	(4,228,812)
Net Revenue expenditure funded from capital under statute			
	4, 12	901,288	(475,463)
Surplus/(Deficit) on the Provision of Services	CIES	(13,552,767)	(4,136,878)
Transfers between Statutory and Other Reserves and the General Fund			
	4	(281,850)	(1,000,000)
Net movements on Pension Reserve	4, 21	7,025,000	3,252,000
Disposal of Fixed Assets/Capital Sales	3, 4, 11	(136,821)	(8,692)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements			
		104,313	(407,623)
Other Movements		(11,913)	571,860
At 31 March		4,200,734	4,094,437

## 27 Unuseable Reserves

### a Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for the acquisition, construction or enhancement of those assets under statutory provisions.

The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement, with reconciling postings from the Revaluation Reserve to convert fair value figures to an historic cost basis.

The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2008, the date that the Revaluation Reserve was created to hold such gains.

Capital Adjustment Account	Notes	31/03/2019	31/03/2018
		£	£
At 1 April		71,469,009	70,775,834
Applied Capital Grants	10, 12	369,669	44,986
Unapplied Capital Grants transferred to CAA in year		-	-
Direct Revenue Financing	4, 12	-	-
Depreciation & Impairment adjustment	11	(11,505,318)	(6,602,388)
Statutory Provision for financing Capital Investment	4, 12	4,929,322	4,228,812
Net Revenue expenditure funded from Capital under statute	4, 12	(901,288)	475,463
Disposal of Fixed Assets/ Capital Sales	4, 11	(117,842)	(15,233)
Capital Receipts used to finance capital expenditure	4, 12	137,163	23,925
Other Movements		2,946,143	2,351,026
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	12	70,990	186,584
<b>At 31 March</b>		<b>67,397,848</b>	<b>71,469,009</b>

#### b Financial Instruments Adjustment Account

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

#### c Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment and Intangible Assets. The reserve is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2008, the date the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

The purpose of this account is to build up a balance based on the revaluation (upwards or downwards) of individual assets. All such revaluations (excluding impairment losses that have been debited to Surplus/(Deficit) on the Provision of Services are mirrored in Other Comprehensive Income and Expenditure. It is a fundamental principle of this account that it never becomes negative. If an asset was held at current value when derecognised, the balance held on the Revaluation Reserve is written off to the Capital Adjustment Account.

Revaluation Reserve	Notes	31/03/2019	31/03/2018
		£	£
At 1 April		74,051,003	65,367,169
Revaluation & Impairment	11, 24	5,201,408	11,034,860
Movements from associates & joint ventures		-	-
Other Movements		(2,946,143)	(2,351,026)
<b>At 31 March</b>		<b>76,306,268</b>	<b>74,051,003</b>

**d Available for Sale Financial Instruments Adjustment Reserve and Financial Instruments Revaluation Reserve**

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

**e Pension Reserve**

Pension Reserve	Notes	31/03/2019	31/03/2018
		£	£
At 1 April		(37,926,000)	(34,284,000)
Net Movements on Pension Reserve	4, 21	(7,025,000)	(3,252,000)
Revaluation & Impairment	21	3,071,000	(390,000)
At 31 March		(41,880,000)	(37,926,000)

**f Deferred Capital Receipts Account**

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

**g 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	31/03/2019	31/03/2018
		£	£
At 1 April		(453,682)	(861,305)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		(104,313)	407,623
At 31 March		(557,995)	(453,682)

**h Provisions Discount Rate Reserve**

The Provisions Discount Rate Reserve covers the arrangement, put in place by the Department under its amendment to the 2017/18 accounts direction (see DfC circular 17/18), to allow for mitigation of the costs not allowed for by Councils who had adopted the HM Treasury Central Government discount rate for long-term provisions such as Landfill costs.

Subject to agreement with the Department, this arrangement allows a council to spread the cost of the impact of discount rate changes over a period of not more than 6 years.

Provisions Discount Rate Reserve	Notes	31/03/2019	31/03/2018
		£	£
At 1 April		(571,860)	-
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		11,914	(571,860)
Other Movements		-	-
At 31 March		(559,946)	(571,860)



28 Disclosure on Transition to IFRS 15

The following tables shows the impact of adopting IFRS 15 on the Council's accounts for the year

Comprehensive Income and Expenditure Statement for the year ended 31 March 2019			
	Impact of changes in accounting policies		
	As reported (2018/19)	Adjustments	Amounts without adoption of IFRS 15
Income from the provision of services	-	-	-
Expenditure on the provision of services	-	-	-
Net expenditure on the provision of services	-	-	-
Other operating expenditure	(136,821)	-	(136,821)
Financing and investment income and expenditure	3,584,122	-	3,584,122
Surplus or deficit on discontinued operations	-	-	-
Taxation and non-specific grant income and expenditure	(54,725,388)	-	(54,725,388)
(Surplus) or Deficit on Provision of Services	(13,552,767)	-	(13,552,767)
Other Comprehensive Income and Expenditure	8,272,408	-	8,272,408
<b>Total Comprehensive Income and Expenditure</b>	<b>(5,280,359)</b>	-	<b>(5,280,359)</b>

Movement in Reserve Statement during 2018/19			
	Impact of changes in accounting policies		
	As reported (2018/19)	Adjustments	Amounts without adoption of IFRS 15
Total Comprehensive Income and Expenditure	(5,280,359)	-	(5,280,359)
Adjustments between the accounting basis and the funding basis under regulations	-	-	-
Increase or Decrease in 2018/19	(5,280,359)	-	(5,280,359)
<b>Balance at 31 March 2019 carried forward</b>	<b>116,915,985</b>	-	<b>116,915,985</b>

Balance Sheet as at 31 March 2019			
	Impact of changes in accounting policies		
	As reported (2018/19)	Adjustments	Amounts without adoption of IFRS 15
Long-term assets	212,372,485	-	212,372,485
Contract costs	-	-	-
Trade and other receivables	8,268,513	-	8,268,513
Contract assets	-	-	-
Other	-	-	-
Current assets	8,268,513	-	8,268,513
Trade and other payables	6,027,564	-	6,027,564
Contract Liabilities	-	-	-
Other	-	-	-
Current liabilities	18,420,766	-	18,420,766
Long-term liabilities	95,870,882	-	95,870,882
Net Assets	116,915,985	-	116,915,985
Usable Reserves	16,209,810	-	16,209,810
Unusable Reserves	100,706,175	-	100,706,175
Total Reserves	116,915,985	-	116,915,985

## Cash Flow Statement for the year ended 31 March 2019

	Impact of changes in accounting policies		
	As reported (2018/19)	Adjustments	Amounts without adoption of IFRS 15
Net (Surplus) or Deficit on the provision of services	(13,552,767)	-	(13,552,767)
Adjustments to net surplus or deficit on the provision of services for non-cash movements	15,673,464	-	15,673,464
Increase/ Decrease in:			
Inventories	(20,430)	-	(20,430)
Contract Costs	-	-	-
Contract assets	-	-	-
Trade and other receivables	(3,374,444)	-	(3,374,444)
Trade and other payables	(59,763)	-	(59,763)
Contract Liabilities	-	-	-
Deferred Revenue	-	-	-
Other	19,128,101	-	19,128,101
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	841,733	-	841,733
Net cash flows from Operating Activities	2,962,430	-	2,962,430
Investing Activities	(3,246,722)	-	(3,246,722)
Financing Activities	(61,006)	-	(61,006)
Net increase or decrease in cash and cash equivalents	(345,298)	-	(345,298)
Cash and cash equivalents at the beginning of the reporting period	2,072,861	-	2,072,861
Cash and cash equivalents at the end of the reporting period	1,727,563	-	1,727,563

The objective of this note is to ensure that the Council discloses sufficient information to enable users of its financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with service recipients.

### 29 Significant Trading Operations

The Council does not have any significant trading operations.

### 30 Agency Services

The Council does not provide any Agency Services.

### 31 Related Party Transactions

A Related Party Transaction is a transfer of resource 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 Council or the Government of which it forms a part. A related party is one that has the ability to control 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.

The Council paid amounts of over £3,000 to the following bodies in which Councillors or Council Senior Management had an interest. Councillors were voted on to Management Committees in relation to some of the organisations listed. Any payments were made with proper consideration of declaration of interest.

	31/03/2019	31/03/2018
	£	£
Association for Public Service Excellence	11,647	13,665
Arc 21	4,457,997	4,440,212
Ballee & Harville Community Enterprise	11,641	13,133
Ballycarry and District Community Association	-	6,498
Ballykeel Moving Forward	3,491	-
Ballymarlow Community & District Group	3,340	-
Ballymena Bid Ltd	17,168	15,807
Ballymena Business Centre	-	37,576
Ballymena North Patnership	33,137	39,805
Ballymena Retailers Against Crime	-	8,593
Barn United Football Club	-	5,293
Carrickfergus Enterprise	29,297	39,802
Carrick Rangers Football Club	-	11,823
Carrickfergus Historical and Re-enactment	8,976	6,250
Causeway Coast & Glens Heritage Trust	22,000	23,136
Citizens Advice Bureau	305,815	327,118
County Antrim Agricultural Association	5,000	-
Cullybackey Development Agency PCS	-	3,015
Doury Road Development Group	4,424	-
Glenlough Community Association	5,762	6,063
Glenravel & District Community & Residents	4,885	3,870
Harryville Partnership	4,650	6,245
Hope Centre	12,449	-
Kirkinriola Community Services	3,450	4,010
Lough Neagh Partnership	3,500	3,500
Mid and East Antrim Agewell Partnership	155,481	100,115
Millbrook Community Association	15,649	7,506
National Association of Councillors (NI)	3,200	-
Northern Ireland Local Government Association	47,629	47,965
North Irish Dragoons Society	3,036	-
Onus NI Ltd	11,834	-
Raglan Community Development Renovation Society	24,100	-
Royal Black District Institution	3,035	-
Royal Scottish Pipe Band Association	7,000	7,000
Translink	5,132	8,855
Whitehead Community Association	38,064	33,086
	5,262,789	5,219,941

#### Council Car Scheme

A former Council director who left in June 2018 availed of the Council Car Lease scheme and made a contribution towards lease costs during the period April 2018 to June 2018.

## **Joint Committees**

### **Arc 21**

The Council is a member of the Arc 21 Joint Committee which is established for the purposes of managing waste. During the year the Council made a contribution of £146k (2017/18 £149k) towards the running costs of Arc 21. The Council also made payments to Arc 21 of £4.3m (2017/18 £4.4m) for those waste management contracts specifically procured and managed by Arc 21 on behalf of the Council.

The Joint Committee is a partnership of Antrim and Newtownabbey, Mid and East Antrim, Ards and North Down, Belfast, Lisburn and Castlereagh, Newry, Mourne and Down Councils established to collaborate in implementing the Waste Management Plan to develop an integrated network of regional waste management facilities which would be cost effective to the public.

The Joint Committee accounts for its funding by the provision of a statement of accounts which is prepared under the Local Government (Northern Ireland) Order 2005 and are subject to statutory audit by the Local Government Auditor.

### **Ballymena Business Improvement District**

Mid and East Antrim administers the debt collection including a Ballymena Bid Bank Account for Ballymena BID Ltd. At the 31 March 2019 the balance on this Bank account was £52,280. All transactions relating to this company are not included in the Mid and East Antrim Borough Council financial statements.

## **32 Date of Authorisation for Issue**

The Chief Financial Officer authorised these financial statements for issue on 24th September 2019.

Mid and East Antrim Borough Council  
Notes to the Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2019

33 The table below reflects the detailed Income and Expenditure Analysis.

Services	2018/19			2017/18		
	Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Culture and Heritage	2,181,114	(265,854)	1,915,260	2,364,277	(264,616)	2,099,661
Recreation and Sport	10,727,170	(2,580,181)	8,146,989	11,467,324	(2,306,170)	9,161,154
Tourism	7,759,681	(1,133,216)	6,626,465	3,149,108	(631,912)	2,517,196
Community Services	1,972,441	(580,768)	1,391,673	2,387,815	(641,675)	1,746,140
<b>Leisure and Recreational Services</b>	<b>22,640,404</b>	<b>(4,560,019)</b>	<b>18,080,387</b>	<b>19,368,524</b>	<b>(3,844,373)</b>	<b>15,524,151</b>
Cemetery, Cremation & Mortuary	420,349	(318,023)	102,326	523,761	(377,727)	146,034
Environmental Health	3,945,088	(1,512,637)	2,432,451	3,792,882	(1,275,584)	2,517,298
Public Conveniences	465,148	(1,974)	463,174	432,718	(2,659)	430,059
Licensing	-	(120)	(120)	-	(1,000)	(1,000)
Other Cleaning	1,818,718	(40)	1,818,678	2,129,994	(1,744)	2,128,250
Waste Collection	7,422,092	(582,842)	6,839,250	6,481,442	(539,756)	5,941,686
Waste Disposal	4,693,356	(513,671)	4,179,685	5,749,803	(602,487)	5,147,316
Other Community Assets	126,320	-	126,320	11,791	-	11,791
Minor Works	547,608	(41,840)	505,768	896,750	(66,355)	830,395
<b>Environmental Services</b>	<b>19,438,679</b>	<b>(2,971,147)</b>	<b>16,467,532</b>	<b>20,019,141</b>	<b>(2,847,312)</b>	<b>17,151,829</b>
Community Planning	640,355	(152,057)	488,298	491,563	(56,907)	434,656
Economic Development	2,795,033	(582,377)	2,212,656	2,006,040	(292,283)	1,713,757
EU Rural Development	136,466	(149,028)	(12,562)	154,467	(138,004)	16,463
Urban Regeneration and Community Development	57,470	-	57,470	47,575	(35,224)	12,351
Planning Policy	2,652,421	(1,066,076)	1,586,345	2,426,833	(1,274,098)	1,152,735
Development Control	-	-	-	-	-	-
Building Control	935,689	(764,560)	171,129	992,065	(655,366)	336,699
Environmental initiatives	-	-	-	-	-	-
Refus	1,024,958	(1,074,524)	(49,566)	464,907	(940,370)	(475,463)
<b>Planning and Development Services</b>	<b>8,242,392</b>	<b>(3,788,622)</b>	<b>4,453,770</b>	<b>6,583,450</b>	<b>(3,392,252)</b>	<b>3,191,198</b>
Off-street Parking Services	849,208	(1,212,975)	(363,767)	1,365,724	(1,200,084)	165,640
<b>Highways and Transport Services</b>	<b>849,208</b>	<b>(1,212,975)</b>	<b>(363,767)</b>	<b>1,365,724</b>	<b>(1,200,084)</b>	<b>165,640</b>
Democratic Representation and Management	2,088,672	(42,128)	2,046,544	2,016,201	(6,586)	2,009,615
Corporate Management	3,138,179	(47,669)	3,090,510	2,613,453	(54,009)	2,559,444
<b>DRM and Corporate Management</b>	<b>5,226,851</b>	<b>(89,797)</b>	<b>5,137,054</b>	<b>4,629,654</b>	<b>(60,595)</b>	<b>4,569,059</b>
Trading Services	407,513	(129,629)	277,884	379,749	(111,496)	268,253
Non Distributed Costs	3,390,000	-	3,390,000	-	-	-
Central Services to the Public	1,336,345	(588,842)	747,503	1,130,708	(622,837)	507,871
<b>Other Services</b>	<b>5,133,858</b>	<b>(718,471)</b>	<b>4,415,387</b>	<b>1,510,457</b>	<b>(734,333)</b>	<b>776,124</b>
Reallocated Service	-	-	-	-	-	-
Finance	1,353,621	(11,073)	1,342,548	1,024,167	(13,999)	1,010,168
Internal Audit	86,589	(5,833)	80,756	103,825	(5,000)	98,825
Information Technology	1,283,805	(450)	1,283,355	1,201,035	-	1,201,035
Central Services	1,912,213	(169,830)	1,742,383	1,545,833	(273,977)	1,271,856
Personnel	1,150,484	(6,014)	1,144,470	989,932	(4,976)	984,956
Mobile Squads	2,261,141	(6,081)	2,255,060	2,024,379	(186)	2,024,193
Transport/Garage	2,212,481	-	2,212,481	829,865	(1,270)	828,595
Building Maintenance	6,616,602	(37,164)	6,579,438	2,162,740	146	2,162,886
<b>Central Support Services</b>	<b>16,876,936</b>	<b>(236,445)</b>	<b>16,640,491</b>	<b>9,881,776</b>	<b>(299,242)</b>	<b>9,582,514</b>
Other Interest Payable	2,855,437	775,258	3,630,695	2,971,484	707,094	3,678,578
Investment Income	11,105	(57,678)	(46,573)	10,769	(15,429)	(4,660)
<b>Financing and Investment Income</b>	<b>2,866,542</b>	<b>717,580</b>	<b>3,584,122</b>	<b>2,982,253</b>	<b>691,665</b>	<b>3,673,918</b>
Rates	-	(48,162,515)	(48,162,515)	-	(45,672,052)	(45,672,052)
Capital Grant	-	(516,949)	(516,949)	-	(44,986)	(44,986)
General Grant	-	(6,045,924)	(6,045,924)	-	(4,771,825)	(4,771,825)
<b>Other Income and Expenditure</b>	<b>-</b>	<b>(54,725,388)</b>	<b>(54,725,388)</b>	<b>-</b>	<b>(50,488,863)</b>	<b>(50,488,863)</b>