

BALLYMENA BOROUGH COUNCIL



***ANNUAL REPORT
AND
ACCOUNTS
2014/15***

BALLYMENA BOROUGH COUNCIL
Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

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Explanatory Foreword

Introduction

The Council's financial performance for the year ended 31 March 2015 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 2014/15 (the Code) and the Department of the Environment Accounts Direction, Circular LG 12/15 dated 31 March 2015. It is the purpose of this foreword to explain, in an easily understandable way the financial facts in relation to the Council. Comparative figures have been re-stated to take account of changes in accounting requirements as a result of the introduction of the Code.

This Statement of Accounts explains Ballymena Borough Council's finances during the financial year 2014/15 and its financial position at the end of that year. It follows approved accounting standards and is necessarily technical in parts.

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

These accounts do not reflect the cost or other transactions of the North Eastern Building Control Group and the Northern Environmental Health Group however a summary of these transactions is shown at Note 29.

The Movement in Reserves Statement

This Statement, as set out on page 18, shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for Local Tax purposes. The 'net increase /decrease before transfers to statutory and other reserves' line shows the statutory General Fund Balance before any discretionary transfers to or from statutory and other reserves undertaken by the Council.

The Comprehensive Income and Expenditure Statement

This statement, as set out on page 19, shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

The Balance Sheet

The Balance Sheet, as set out on page 20, shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, 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 the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

Financial Report

For the year ended 31 March 2015 the Council decreased its General Fund reserve by £404k to £1.6m. The Council's budget of £22.2m was supplemented by £147k for prior year finalisation payment of district rates. Expenditure on Capital Projects throughout the year amounted to £1.1m. The most significant expenditure related to Showgrounds 2G pitch £580k, Harryville Community Centre £78k, a Hook Loader £122k and Roll on/Roll off Containers and Static Compacters for the Civic Amenity Site £42k.

The net cost of services reported below is £22.8m and includes allocations of £181k to the Repairs and Renewals Fund and £3.1m to the Capital Fund.

Financial Position

The Council has reported a loss of £404k for the year ended 31 March 2015. A summary of the income and expenditure reported by the Council with comparison to the estimates for the year can be seen in the table below:-

	<u>Actual</u>	<u>Estimated</u>	<u>Variance</u>
	£	£	£
Net Cost of Services	22,807,244	22,228,629	578,615
Financed by:-			0
General Grant	(1,632,721)	(1,605,783)	(26,938)
District Rates	(20,770,145)	(20,622,846)	(147,299)
(Surplus/Deficit)	<u>404,378</u>	<u>0</u>	<u>404,378</u>

Current Borrowing Facilities

The table

	2014/15	2013/14	2012/13
	£	£	£
Short Term Borrowing	938,101	910,467	867,059
Long Term Borrowing	<u>22,743,732</u>	<u>23,681,834</u>	<u>24,592,303</u>
Total External Borrowing	<u>23,681,833</u>	<u>24,592,301</u>	<u>25,459,362</u>

The external borrowing has decreased during the year by repayment of principal loan payments of £910k.

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

These accounts were approved by the Audit and Scrutiny Committee on 29 June 2015.

The Chief Financial Officer's Responsibilities

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

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

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

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

The Chief Financial Officer is also required to:

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

NORTHERN IRELAND LOCAL GOVERNMENT BODIES'
Annual Governance Statement 2014/15

Scope of Responsibility

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

In discharging this overall responsibility, the Council was 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 was required to prepare an Annual Governance Statement which was 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 2A of the Local Government Accounts and Audit (Amendment) Regulations (Northern Ireland 2006) in relation to the publication of a statement on internal control.

The Purpose of the Governance Framework

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

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

The Governance Framework has been in place at the Council for the year ended 31 March 2015. From the 1 April 2015 to the date of approval of the financial statements, the Governance Arrangements are those of the new Mid and East Antrim Borough Council.

The Governance Framework

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

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

Ballymena Borough Council launched a new Corporate Plan 2012-2016 in May 2012. The new Corporate Plan clearly sets out Council's vision of its purpose and intended outcomes for citizens and service users. The needs of the citizen are firmly placed at the centre of Council's Corporate Plan.

The vision for the Borough of Ballymena as set out in the Corporate Plan was "*Ballymena: Great People, Great Place*". Council's purpose was also emphasised through a strong mission statement, which read: "*We will work through community planning and our valued partners to address the current and future economic, social and environmental needs and priorities of the Ballymena Borough*". The vision and mission statement were underpinned by the values that governed how the Council acted and delivered services. Council's values were:

- Citizen Focus
- Innovation
- Inclusion
- Impact
- Integration
- Accountability
- Courage
- Respect

The Council was committed to making sure that the Corporate Plan provided an overarching framework for all that it did and that our vision was translated into action by putting all the necessary steps in place for the delivery of quality services and sustainable economic, social and environmental benefits for the borough.

The Council developed four strategic themes that define specific priorities for action that are necessary to achieve the vision. Council's four strategic themes were:

- Helping to Grow the Local Economy;
- Protecting the People of Ballymena and Supporting their Health and Wellbeing;
- Delivering Quality, Efficient Council Services; and
- Developing a Learning, Growing and Caring Organisation that Delivers.

Elected Members and officers were jointly committed to examining how we did our work within the Council, its committees and wider organisation to ensure that we were flexible, efficient, modern, open to change and fit for purpose in order to deliver on this ambitious and exciting agenda for action.

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

The Council reviewed the Corporate Plan on an annual basis to ensure that it still meets the authority's vision for the local area. In particular the Council ensured that the many partnerships in which it was involved were underpinned by this vision.

Council monitored and scrutinised the implementation of the Council's Corporate Plan twice each year, every year. The Council also approved the publication of an Annual Summary Report to ratepayers, other partners and staff.

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

Measurement of quality of service for users was undertaken in the form of service business plans and performance reports, which were submitted to the relevant committees. Research is currently underway to assess Quality of Life Indicators through the mechanism of a services satisfaction survey or user focus groups.

Performance Reports and Service Business Plans were linked to the Corporate Plan and ensured that operational objectives cascaded down to individual level. The plans were reviewed annually and monitored by Senior Management Team, directors, assistant directors and managers within departments and service areas. These plans were also reviewed via presentation at relevant Council Committees.

Councillor - Senior Officer engagement was an important element in ensuring that services delivered met the requirements of ratepayers.

Financial performance was assessed through regular budget meetings and was reported to Council periodically. Value for money auditing was carried out by both internal and external auditors and the Corporate Governance & Business Improvement Officer.

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

The Council fulfils its function through a Committee Structure. All decisions were recorded, minuted and available for public inspection.

Roles, responsibilities and order for this were contained in Standing Orders (last revised June 2013). All Councillors and Directors were issued with Standing Orders.

The Acting Chief Executive was the head of the paid officers of Council. He was responsible and accountable to the Council for all aspects of Council functions including Finance and Human Resources.

A number of operational matters were delegated to Senior Management. These delegated responsibilities were last reviewed by Council in May 2012 in conjunction with the approval of Council's revised Committee structure.

- **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.

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

A number of specific policies have been introduced, as guided by the code, including policies on harassment, equality and hospitality.

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

Council Standing Orders were last revised in June 2013. Standing financial instructions were contained in the Financial Control Code, which was last revised in April 2013. These detailed the processes and controls that exist for all financial transactions in the Council.

The Council had a Risk Management Strategy, which required identification of both Corporate and Service risks, assessment of impact and likelihood of those risks and the mitigating controls in place. The Council Corporate and Service Risk Registers were in place and these were reviewed by Directors and Heads of Service on a quarterly basis and presented to Audit Committee on a rolling basis throughout the year. All Heads of Service have submitted an Annual Risk Management Assurance Statement regarding the operation of internal controls within their service to the Acting Chief Executive.

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

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

The Audit Committee met four times in the year in May, November, January and March in conjunction with key audit and financial reporting timeframes. The Audit Committee reviewed its Terms of Reference on an annual basis (last reviewed November 2013).

Internal audit findings and risk management information were reported to the Committee at each meeting and other information, such as, the work of NIAO, was reported to Committee at appropriate times throughout the year.

Council appointed an Independent Member to the Audit Committee in October 2012 and following annual review, extended the Independent Member's contract until 31 March 2015 in line with the contractual arrangements.

The Committee reviewed its performance in March 2015 using the self-assessment checklist contained within the *Audit Committees: Practical Guidance for Local Authorities and Police (2013 Edition)*.

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

The Acting Chief Executive was 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 was charged with ensuring the lawfulness and financial prudence of decision-making, providing advice and guidance and ensuring that expenditure incurred was lawful.

The Council's financial management arrangements did not comply with Principle 5 "The CFO in a local authority must be professionally qualified and suitably experienced" 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, as the Council's designated Chief Financial Officer was not a professionally qualified accountant and the role of Chief Financial Officer and Acting Chief Executive are not separate within the Council. The arrangements in place were not considered to compromise the Council's financial management arrangements in any way as the Chief Financial Officer was supported by the Acting Director of Finance and Support Services, a fully qualified accountant, ensuring that the decisions made by the Chief Financial Officer were based on sound technical knowledge and understanding. This arrangement complied with the current legislation in Northern Ireland - section 1 (2) of the Local Government Finance Act (Northern Ireland) 2011.

Financial regulations were contained in the Council's Financial Control Code (last revised April 2013). These have been approved by Council. They were made available to all staff through publication on Council's internal computer network drive and were updated and maintained within the Finance Department. Any overriding of Financial procedures required Council approval.

Two Members of the Audit Committee attended the review of Council purchase ledger transactions, payroll transactions and treasury management transactions prior to each monthly meeting. The purpose of this activity was to allow payment to be recommended to the full Council at the monthly Council meeting. Council retained the service of a solicitor for any legal guidance.

The internal audit function was outsourced and provided an independent opinion on compliance issues. On 31st March 2013 Council's term of appointment for Internal Audit Service provision expired, resulting in Council jointly tendering for renewed Internal Audit Service provision with Larne Borough Council. A new Internal Audit Service Provider was appointed for the period of 1st April 2013 to 31st March 2015.

The Council had a Fraud Policy, which was last revised in May 2013 and circulated to all staff and Elected Members. Fraud awareness training was provided to relevant staff.

- **Whistle-blowing, receiving and investigating complaints from the public.**

Council's Whistleblowing Policy was last revised in May 2013 and circulated to all staff and Elected Members. A corporate complaints system recorded all complaints, comments and compliments from the public.

The corporate complaints system was resourced by a Customer Services Officer. It recorded complaints, comments, suggestions and had an inbuilt escalation of complaints and reporting mechanism to Senior Management.

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

Training Needs Analysis was carried out for all staff and Elected Members. It identified any training requirements in conjunction with line managers, directors and the Acting Chief Executive. Council employed a Training Officer who identified and sourced appropriate training courses for staff, and where appropriate, Elected Members to fulfil the training as outlined in the training plan.

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

Communication was important to ensure the community in which the authority existed and other stakeholders were fully aware of Council's aims and objectives. A quarterly Ballymena Borough Council Newsletter was published and distributed to ratepayers informing them of initiatives and programmes taking place throughout the Borough. Councillors and officers sat on many partnerships and community groups throughout the borough. A significant amount of resource was used to create highly developed networks that permitted communication and assisted Council to achieve their vision.

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

Council facilitated the establishment of four Community Cluster groupings across the Ballymena Borough. Through the help and engagement of Council each Community Cluster developed an area Action Plan with agreed priorities.

Council established a Community Planning Strategic Alliance which comprised of representatives from Council, Statutory Agencies and the Community/Voluntary Sector. The Community Planning Strategic Alliance enabled Council to communicate with and influence on a strategic level other key public sector partners in order to progress Community Planning priorities. Two of the Community Cluster Chairs were members of the Community Planning Strategic Alliance.

Internally, Council progressed the implementation of a number of staff led recommendations aimed at improving communication throughout Council through the Better Services Together (BeST) Project. The appointment of a Communications and Engagement Coordinator in July 2013 was a key recommendation emanating out of the BeST Project and this resource was utilised to enhance channels of communication both internally and externally.

Council led and participated in a schools Youth Engagement Programme in partnership with Ballymena Learning Together and Children & Young Peoples Strategic Partnership targeting post primary schools in Ballymena. The Youth Engagement Programme took place during June 2014 and January 2015 and was aimed at:

- raising awareness of the role of Civic Leaders and the Democratic Process;
- building capacity by highlighting how young people can affect change in their community;
- developing respect between young people and Council as well as young people and their peers/community through relationship building and dialogue; and
- building leadership skills within young people.

Review of Effectiveness

The Council had responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness was informed by the work of the executive managers within the Council who had responsibility for the development and maintenance of the governance environment, the Head of 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:-

- **Members**

A committee structure was in place within Council which provided Elected Members with a democratic mechanism by which to approve and scrutinise Council business.

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

- **Senior Officers**

The Acting Chief Executive led 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:

- Assurance Statements from Heads of Service;
- Corporate and Service Risk Registers;
- Internal and External Audit Reports;
- New and revised Council Policies;
- Service Business Plans;
- Council performance against the priorities set within the Corporate Plan
- Financial reporting; etc.

- **Audit Committee**

The Audit Committee met four times per year. The Audit Committee had an Independent Member. The internal and external auditors attended meetings as appropriate. The Audit Committee approved a risk based audit plan and considered the findings of internal audit reviews and the external audit Report to those charged with Governance.

The Audit Committee reviewed the Internal Audit function on an annual basis and through the Assurance Statement provided by the Internal Auditor ensured that its financial management was adequate and effective and that it had a sound system of internal control.

The effectiveness of the Audit Committee was reviewed at the Audit Committee of 19 March 2015. 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**

The Internal Audit function was externally sourced which provided 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 Committee on 19 March 2015, along with the Annual Internal Audit Report. Internal Audit reported a substantial level of compliance with the standards.

Based on the conclusions of the 2014/2015 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.

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Other explicit review/assurance

A Corporate Risk Register and Risk Registers for Council Services were in place. Action Plans have been formulated for the highest risks in terms of likelihood and impact for each service. The Action Plans were reviewed during the 2014/15 Financial Year.

Heads of Service completed Quarterly and Annual Risk Management Assurance Statements.

External audit by the NIAO during the year, gave Council an unqualified audit opinion on the accounts for 2013/14.

The Seven Towers Leisure Centre retained the QUEST UK Quality Scheme for Sport and Leisure accreditation.

The Council was advised on the implications of the result of the review of the effectiveness of the governance framework, and a plan to address weaknesses and ensure continuous improvement of the system were put in place.

Significant Governance Issues

The review of effectiveness by Senior Managers within the Council identified the following issues because of the risks they present.

Local Government Reform

Under Local Government Reform Ballymena Borough Council, Carrickfergus Borough Council and Larne Borough Council amalgamated and became one of eleven new Council districts known as Mid and East Antrim District Council. The new Council came into existence on 26th May 2014 and operated in shadow form until they took over full responsibility for local government on 1st April 2015 when the twenty six existing councils ceased to exist. The final accounts for Ballymena Borough Council were therefore for the 2014/15 financial year.

This reform brought a number of challenges to Ballymena Borough Council as well as presenting many opportunities. We have additional responsibilities as we became responsible for extra functions transferred from central to local government, as part of the reform programme. However, the reform programme also presents an opportunity for increased partnership and collaborative working to achieve even more efficient and effective service delivery. We continued to engage with Carrickfergus Borough Council and Larne Borough Council at a corporate decision making level through the Transition Management Team / Senior Management Team (TMT/SMT) in order to achieve a consistent approach going forward. During 2014/15 Council Officers supported the Mid and East Antrim Shadow Council in progressing the reform activities in line with the Local Government Reform Implementation Plan in order to achieve a smooth transition into the new Council in April 2015.

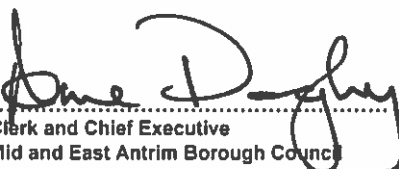
ARC 21 Residual Waste Treatment Project

Ballymena Borough Council was part of ARC21, which is a well established partnership of eleven Councils who agreed to collaborate in implementing waste management initiatives and develop an integrated network of waste management facilities which were cost effective to the public. Such facilities required for the treatment of residual waste, Mechanical Biological Treatment (MBT) and Energy from Waste (EfW), were substantial in cost and complexity and brought with them extremely challenging procurement processes. However this process was necessary to develop the waste management infrastructure for ARC21 partner Councils which enabled us to meet EU Landfill Directive targets which limited the amount of biodegradable municipal waste that could be landfilled. Substantial fines payable for Councils failing to meet statutory targets set under Directive, coupled with the increasing burden of landfill tax, were strong economic drivers for Councils to divert waste from landfill. As a constituent Council of the ARC21 Waste Group, Council continued to work proactively and collaboratively in order to progress the challenging issue of the residual waste treatment project.

Other Government Issues

During the year 2014/15, Internal Audit conducted 10 assurance reviews, in which Council attained an overall Internal Audit Assurance of Satisfactory. One internal audit in relation to a review of Council Managed Community Centres received an assurance level of Limited. Following this review, a number of new internal controls were put in place to improve assurance levels within this area.

Council duly notified Mid and East Antrim District Council of the above matters to further enhance their governance arrangements. We are satisfied that these steps addressed the need for improvements that were identified in our review of effectiveness.

Signed  Date 26/10/15
Clerk and Chief Executive
Mid and East Antrim Borough Council

Signed  Date 26/10/15
Chairman of Audit and Scrutiny Committee
Mid and East Antrim Borough Council

Certificate of the Chief Financial Officer

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2015 on pages 18 to 83 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 22 to 39.
- (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 31 March 2015.


.....
Chief Financial Officer

26/10/15.....
Date

Council Approval of Statement of Accounts

These accounts were approved by resolution of the Audit and Scrutiny Committee on 29 June 2015.


.....
Chairman

26/10/15.....
Date

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

I have audited the financial statements of Ballymena Borough Council for the year ended 31 March 2015 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out within them.

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. Under the transitional arrangements set out in the Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014, the Mid and East Antrim Borough Council takes responsibility for the financial statements of Ballymena Borough Council.

Respective responsibilities of the Chief Financial Officer and the independent auditor

As explained more fully in the Statement of Council's and Chief Financial Officer's Responsibilities, the Chief Financial Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year. My responsibility is to audit the financial statements in accordance with the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2014-15, of the financial position of Ballymena Borough Council as at 31 March 2015 and its income and expenditure for the year then ended; and

- the financial statements have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 and the Department of the Environment directions issued thereunder.

Opinion on other matters

In my opinion the information given in the Explanatory Foreword for the financial year ended 31 March 2015 is consistent with the financial statements.

Matters on which I report by exception

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

- The Annual Governance Statement:
 - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2014-15;
 - does not comply with proper practices specified by the Department of the Environment;
 - is misleading or inconsistent with other information I am aware of from my audit; or
- adequate accounting records have not been kept; or
- the statement of accounts is not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit.

Certificate

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



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

29 October 2015

BALLYMENA BOROUGH COUNCIL
Movement in Reserves Statement
For the current and comparative year

This Statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus or (Deficit) on the provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for local tax purposes. The 'Net Increase /Decrease before transfers to statutory and other reserves' line shows the statutory General Fund Balance before any discretionary transfers to or from statutory and other reserves undertaken by the Council.

	General Fund Summary	Statutory Reserves	Other Fund Balances & Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£	£	£	£	£	£	£
At 1 April 2013	1,957,220	4,806,690	1,779,494	0	8,545,404	36,030,768	44,576,172
Movement in reserves during the year							
Surplus or (deficit) on the provision of services	3,056,312	0	0	0	3,056,312	0	3,056,312
Other Comprehensive Income and Expenditure	0	0	0	0	0	7,847,690	7,847,690
Total Comprehensive Income and Expenditure	3,056,312	0	0	0	3,056,312	7,847,690	10,904,002
Adjustments between accounting basis & funding basis under regulations	(339,077)	0	223,368	0	(115,709)	135,709	0
Net Increase/Decrease before Transfers to Statutory and Other Reserves	2,717,235	0	223,368	0	2,940,603	7,963,399	10,904,002
Transfers to/from Statutory and Other Reserves	(2,661,434)	2,643,136	18,298	0	0	0	0
Increase/Decrease in Year	55,801	2,643,136	241,666	0	2,940,603	7,963,399	10,904,002
At 31 March 2014	2,013,021	7,451,826	2,021,160	0	11,486,007	43,994,167	55,480,174
Movement in reserves during the year							
Surplus or (deficit) on provision of services	1,155,332	0	0	0	1,155,332	0	1,155,332
Other Comprehensive Income and Expenditure	0	0	0	0	0	3,283,848	3,283,848
Total Comprehensive Income and Expenditure	1,155,332	0	0	0	1,155,332	3,283,848	4,439,180
Adjustments between accounting basis & funding basis under regulations	1,708,421	0	(867,682)	0	838,739	(638,739)	0
Net Increase/Decrease before Transfers to Statutory and Other Reserves	2,863,753	0	(867,682)	0	1,994,071	2,445,109	4,439,180
Transfers to/from Statutory and Other Reserves	(3,283,131)	3,266,131	0	0	0	0	0
Increase/Decrease in Year	(404,378)	3,266,131	(867,682)	0	1,994,071	2,445,109	4,439,180
At 31 March 2015	1,608,643	10,717,957	1,153,478	0	13,480,078	46,439,276	59,919,354

BALLYMENA BOROUGH COUNCIL
Comprehensive Income and Expenditure Statement for the year ended 31 March 2015

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

	Notes	2014/15	2013/14	2013/14	2013/14	2013/14	
		Gross Expenditure	Gross Income	Net Cost	Gross Expenditure	RESTATED Gross Income	RESTATED Net Cost
		£	£	£	£	£	£
Services Expenditure							
Leisure and Recreational Services		11,112,045	2,715,400	8,396,645	10,646,243	2,707,023	7,939,220
Environmental Services		9,175,264	1,592,141	7,583,123	9,312,252	1,328,699	7,985,383
DRM and Corporate Management		2,576,739	127,513	2,449,226	1,999,647	148,739	1,862,908
Other Services		1,641,709	576,369	1,065,341	1,456,489	601,641	864,847
Cost of Services on Continuing Operations	4-6	24,805,758	5,011,518	19,794,239	23,414,630	4,784,302	18,630,328
Other Operating Expenditure	7	0	63,034	(63,034)	0	98,763	(98,763)
Financing and Investment Income and Expenditure	8	1,716,441	153,612	1,862,899	1,816,256	129,993	1,686,263
Surplus or Deficit on Discontinued Operations		0	0	0	0	0	0
Net Operating Expenditure		26,522,237	5,228,160	21,294,049	25,230,886	5,013,056	20,217,828
Taxation and Non-Specific Grant Income	9	0	22,448,381	(22,448,381)	0	23,274,140	(23,274,140)
Surplus/(Deficit) on the Provision of Services		26,522,237	27,677,569	1,168,332	25,230,886	28,287,198	3,068,312
Surplus/(Deficit) on revaluation of non-current assets	10a/10b/10d			5,038,848			4,811,890
Impairment losses on non-current assets charged to the Revaluation Reserve	10a/10b/10d			0			0
Surplus/(Deficit) arising on revaluation of available-for-sale financial assets	25a/25b			0			0
Remeasurements of the Net Defined Benefit Liability (Asset)	20			(1,796,000)			3,036,000
Other Comprehensive Income and Expenditure				3,283,848			7,847,890
Total Comprehensive Income and Expenditure				4,439,180			10,904,002

BALLYMENA BOROUGH COUNCIL
Balance Sheet As At 31 March 2015

The Balance Sheet shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves - ie those reserves that the authority 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'.

	Notes	2014/15 £	2013/14 £
Property Plant & Equipment (PP&E)	10a/10b	81,829,017	78,726,080
Land & Buildings	10a/10b	79,132,362	74,687,845
Infrastructure Assets	10a/10b	97,802	100,519
Landfill Site	10a/10b	0	0
Vehicles, Plant, Furniture and Equipment	10a/10b	1,298,209	1,398,273
Community Assets	10a/10b	181,459	197,864
PP&E under Construction	10a/10b	879,238	2,081,812
Non-operational Assets	10a/10b	261,947	281,947
Heritage Assets	10d	162,000	162,000
Investment Properties	10a/10b	225,000	285,000
Intangible Assets	10a/10b	0	0
Assets Held for Sale	10e	0	0
Long Term Investments	15a	0	0
Long Term Debtors	14a	888,340	900,978
LONG TERM ASSETS		83,082,357	80,074,038
Short Term Investments	15b	12,551,727	10,163,049
Inventories	13	104,833	97,181
Short Term Debtors	14b	3,721,618	2,010,785
Cash and Cash Equivalents	24b	1,995,268	3,449,234
Assets Held for Sale	10c	0	0
CURRENT ASSETS		18,323,642	15,720,250
Bank Overdraft		443,785	788,043
Short Term Borrowing	16a	938,101	810,487
Short Term Creditors	17a	2,683,081	2,330,028
Provisions	18	563,840	878,504
CURRENT LIABILITIES		4,628,807	4,975,040
Long Term Creditors	17b	0	0
Provisions	18	2,144,365	2,128,447
Long Term Borrowing	16b	22,743,732	23,881,834
Other Long Term Liabilities	5,20	11,954,000	9,505,000
Donated Assets Account	21	0	0
Capital Grants Receipts in Advance	22	15,711	25,768
LONG TERM LIABILITIES		38,857,838	35,339,077
NET ASSETS		59,919,354	55,480,171
USABLE RESERVES	25a/25b	19,480,076	17,488,004
Capital Receipts Reserve	CRR 25a/25b	0	0
Capital Grants Unapplied Account	25a/25b	0	867,882
Capital Fund	25a/25b	8,505,000	5,420,000
Renewal and Repairs Fund	25a/25b	2,212,957	2,031,828
Other Balances and Reserves	25a/25b	1,153,478	1,153,478
General Fund	Gen Fd 25a/25b	1,608,643	2,013,020
UNUSABLE RESERVES	25a/25b	48,439,278	43,992,167
Capital Adjustment Account	CAA 25a/25b	42,047,109	41,686,722
Financial Instruments Adjustment Account	25a/25b	0	0
Revaluation Reserve	25a/25b	16,540,927	11,990,777
Available for Sale Financial Instruments Reserve	25a/25b	0	0
Pensions Reserve	25a/25b	(11,954,000)	(9,505,000)
Capital Receipts Deferred Account	25a/25b	0	0
Accumulated Absences Account	25a/25b	(194,760)	(178,332)
Landfill Regulations Reserve	25a/25b	0	0
Provisions Discount Rate Reserve	25a/25b	0	0
NET WORTH		59,919,354	55,480,171

BALLYMENA BOROUGH COUNCIL
Cash Flow Statement at 31 March 2015

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council. The Council reports cash flows from operating activities using the indirect method, whereby net Surplus or Deficit on the Provision of Services is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing or financing cash flows.

	Notes	2014/15 £	2013/14 £
Net (surplus) or deficit on the provision of services		1,155,332	3,056,312
Adjustment to surplus or deficit on the provision of services for noncash movements	24a)	2,083,735	3,926,169
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	24a)	(143,319)	(1,502,458)
Net cash flows from operating activities		3,095,748	5,480,023
Net Cash flows from Investing Activities	24d)	(3,326,992)	(2,064,072)
Net Cash flows from Financing Activities	24e)	(910,467)	(867,059)
Net increase or decrease in cash and cash equivalents	24b)	(1,141,711)	2,548,892
Cash and cash equivalents at the beginning of the reporting period	24b)	2,693,192	144,301
Cash and cash equivalents at the end of the reporting period		1,551,481	2,693,193

BALLYMENA BOROUGH COUNCIL

Notes to the Financial Statements

1a Accounting Policies

General Principles

The Statement of Accounts summarises the Council's transactions for the 2014/15 financial year and its position at the year-end of 31 March 2015. The Council is required to prepare an annual Statement of Accounts in a form directed by the Department of the Environment in accordance with regulations 4 (1) and (2) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 and the Service Reporting Code of Practice 2014/15 (SeRCOP), 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 2014/15 also requires disclosure in respect of:

Summary of Significant Accounting Policies

i) Accruals of Income and Expenditure

- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.

- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.

- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

ii) Acquisitions

The Council has not acquired any 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

At the 31st March 2015, while the majority of single status payments have been made, a provision of £298k has been made to cover other possible single status appeals.

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 investments that mature in three months or less from the Balance Sheet date 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) Discontinued Operations

The Council has not discontinued operations (or transferred operations under combinations of public sector bodies) during the financial year.

viii) Employee Benefits

Short-term employee benefits are those due to be settled 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 earned by employees but not taken before the year-end and which employees can carry forward into the next financial year.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of: a) when the offer cannot be withdrawn or b) when the related restructuring costs are incurred.

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 of 3.2% (based on the indicative rate of return on high quality corporate bonds on the iBoxx Sterling Corporate Index, AA over 15 years with recently re-rated bonds removed from the index).

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

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

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

Within the Cost of Services

Current Service Cost – the increase in the present value of the defined benefit obligation (liabilities) resulting from employee service in the current period.

Past Service Cost – the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction in the number of employees covered by the plan).

Any Gains or Losses on Settlement – arising where a council enters into a transaction that eliminates all further legal or constructive obligations for part or all of the benefits provided under a defined benefit plan.

Within Financing and Investment Income and Expenditure

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

Within Other Comprehensive Income and Expenditure (Remeasurements)

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

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

Within the Movement in Reserves Statement Appropriations

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

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

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

Discretionary Benefits

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

ix) Events After the Balance Sheet Date

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

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

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

The financial statements may subsequently be adjusted up to the date when they are authorised for issue. This date will be recorded on the financial statements and is usually the date the Local Government Auditor issues her 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.

x) 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.

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

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

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

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

xii) Financial Instruments

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

Financial Liabilities

Amortised Cost

Financial Assets

Loans and Receivables

Available for Sale

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

For 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.

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

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The 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 District Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Additional policy detail required where a Council has entered into financial guarantees or has financial liabilities at fair value through profit or loss (such as derivatives).

Financial Assets

Financial assets are classified into two types:

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

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

Loans and Receivables

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

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

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

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

Available-for-Sale Assets

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

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

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

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

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

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

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

xiii) 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.

xiv) Government Grants and Contributions

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

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

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

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

xv) Intangible Assets

The Council does not hold any Intangible Assets at the Balance Sheet date of 31 March 2015.

xvi) Inventories & Long Term Contracts

Inventories are included in the Balance Sheet on the basis of latest invoice price. This is not materially different from valuation on a First in First Out (FIFO) basis as recommended by International Accounts Standard: Inventories (IAS 2).

Long Term contracts are accounted for on the basis of charging the surplus or deficit on the provision of services with the value of works and services received under the contract during the financial year.

xvii) Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. Investment properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line in the Comprehensive Income and Expenditure Statement and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the District 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.

xviii) Landfill Allowance Schemes

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

xix) Leases

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

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

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

The Council as Lessee

Finance Lease:

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

Lease payments are apportioned between:

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

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

The Council is not required to raise district rates to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual provision is made from revenue towards the deemed capital investment in accordance with statutory requirements. Depreciation and impairment losses are therefore replaced by a revenue provision 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 Leases

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

Lease rentals receivable are apportioned between:

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

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

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

Operating Leases

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

xx) Disposals and Non-Current Assets Held for Sale

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

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

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

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

Amounts received for a disposal 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 fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

xxi) Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting *Code of Practice 2014/15* (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

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

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

xxii) 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:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition will not increase the cash flows of the Council. In the latter case, where the 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 – depreciated historical cost
- community assets and assets under construction – historical cost
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

The Revaluation Reserve contains revaluation gains recognised since 1 April 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:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains), with any excess charged to the service line in the Comprehensive Income and Expenditure Statement.

- where there is no balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

The same accounting treatment is applied to revaluation losses as a result of a general fall in asset prices across the board as opposed to a consumption of economic benefit specific to an asset as is in the case of impairment losses.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e., freehold land and certain Community Assets) and assets that are not yet available for use (i.e., assets under construction).

Depreciation is calculated on the following bases:

- 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 40 years.

Componentisation

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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

Revaluations

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

xxiii) 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.

For the year ended 31 March 2015, Ballymena Borough Council had £162k in relation to Heritage Assets, these were mainly museum collections and the value was determined by the services of an external valuer. Further information is shown in Note 10d.

xxiv) 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.

xxv) Reserves

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

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

xxvi) Charges to Revenue for Non-Current Assets

Charges to revenue for non-current assets e.g. services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise District Rates to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual provision 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 amortisations are therefore replaced by minimum revenue provision (MRP) 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.

xxvii) 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.

xxviii) Value Added Tax

All expenditure and income, irrespective of whether it is revenue or capital in nature, is shown net of Value Added Tax, unless it is irrecoverable.

1b Accounting Standards That Have Been Issued but Have Not Yet Been Adopted

For 2014/15, the following accounting standards have been issued but not yet adopted within the Code of Practice on Local Authority Accounting:

IFRS 13 Fair Value Measurement (2011)

The adoption of IFRS 13 Fair Value Measurement was deferred from the 2015/16 Code. Work has been carried out with HM Treasury to establish objectives for measuring property, plant and equipment that are consistent with the objective for the financial statements prescribed in the Code.

This work has confirmed that it is appropriate to focus on valuing the service potential and thus operating capacity used to deliver goods and services. Proposals were taken forward into the consultation for the 2015/16 Code that property, plant and equipment used to support service delivery is measured on the basis of its service potential, i.e. and existing use basis. Where no market is in existence or assets are specialised, a depreciated replacement cost measurement would be needed. These assets will not be formally valued at 'fair value' and thus under the requirements of IFRS 13 will be outside its scope.

The Council is of the view that these changes will have no material impact on the authorities financial position or performance at this stage.

The Council does not have material liabilities measured on a fair value basis and therefore does not anticipate that the provision of IFRS 13 will have any material impact on liabilities.

Amendments to IAS 19 Employee Benefits (Defined Benefit Plans: Employee Contributions)

In November 2013 the IASB issued its amendments to IAS 19. CIPFA/LASAAC considered the options in the standard for accounting for employee contributions and concluded that if the amount of the contributions is independent of the years of service a council is permitted to recognise such contributions as a reduction to service cost in the period in which the related service is rendered. This is consistent with the approach currently adopted and therefore there will not be any significant change in accounting practice for the council.

Annual Improvements cycles 2010 - 2012 and 2011 - 2013.

The IASB carries out cyclical work to identify and implement improvements in IFRS's. The 2010 - 2012 cycle was issued in November 2013 and the 2011 - 2013 cycle was issued in December 2013. These amendments have not yet been endorsed by the European Union and this endorsement would be required to be adopted into the Code. There are no significant issues affecting the council emanating from the annual improvements work.

IFRIC 21 Levies (i.e. levies imposed by governments)

IFRIC 21 provides guidance on accounting for levies in the financial statements of the paying entity. CIPFA/LASAAC considers that the IFRIC would apply to local authorities and the 2015/16 code will be amended to reflect this.

The IFRIC relates to when to recognise a liability to pay a levy that is accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The IFRIC sets out that the obligating event that gives rise to the liability to pay a levy is the activity that triggers the payment of the levy, that the liability is recognised progressively if the obligating event occurs over time and that if an obligation is triggered on reaching a minimum threshold the liability is recognised when that threshold is reached.

The Council does not currently have any significant levies and therefore this standard will have no material impact on the financial statements.

1c Critical Judgements in Applying Accounting Policies

At 31 March 2015 Ballymena Borough Council has not identified any areas that require such critical judgements.

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

The items in the Council's Balance Sheet at 31 March 2015 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Pensions Liability

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

**BALLYMENA BOROUGH
COUNCIL**
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

2a Segmental Reporting Analysis - Current Year

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

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

[Comparative disclosures are reported in Note 2b]

Services	2014/15		
	Gross Expenditure	Gross Income	Net Expenditure/(Income)
	£	£	£
Culture and Heritage	2,617,497	1,311,431	1,306,066
Recreation and Sport	5,843,526	930,396	4,913,130
Tourism	1,201,276	134,870	1,066,406
Community Services	1,449,746	338,799	1,110,947
Leisure and Recreational Services	11,112,045	2,715,496	8,396,549
Cemetery, Cremation and Mortuary	412,019	97,894	314,125
Environmental Health	1,448,039	545,283	902,756
Flood Defence and Land Drainage	0	0	0
Public Conveniences	161,854	2,837	159,017
Licensing	23,884	24,725	(841)
Other Cleaning	743,281	54,695	688,586
Waste Collection	3,300,592	399,059	2,901,533
Waste Disposal	2,434,920	70,766	2,364,154
Building Control	536,141	396,882	139,259
Other Community Assets	314	0	314
Minor Works	114,220	0	114,220
Environmental Services	9,175,264	1,592,141	7,583,123
Democratic Representation and Management	1,287,260	2,476	1,284,784
Corporate Management	1,289,478	125,037	1,164,441
DRM and Corporate Management	2,576,738	127,513	2,449,225
Economic Development	1,284,946	267,593	1,017,353
Trading Services	33,164	19,023	14,141
Non Distributed Costs	77,817	0	77,817
Central Services to the Public	545,782	289,752	256,030
Other Services	1,941,709	576,368	1,365,341
CONTINUING OPERATIONS	24,805,756	5,011,518	19,794,238

**BALLYMENA BOROUGH
COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

2a Segmental Reporting Analysis - Current Year

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

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

	£	£
Net Cost of Services In Service Analysis		19,794,238
<i>Items excluded from Service Analysis:</i>		
Add amounts not reported in Service Analysis but included in Net Cost of Services in Comprehensive Income and Expenditure Statement	0	
Remove amounts reported in Service Analysis but not included in Net Cost of Services in Comprehensive Income and Expenditure Statement	0	
		0
Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement		19,794,238
<i>Items included in Net Operating Expenditure excluded from Service Analysis:</i>		
Other Operating Expenditure	(63,038)	
Financing and Investment Income and Expenditure	1,562,849	
Surplus or Deficit on Discontinued Operations	0	
		1,499,811
Net Operating Expenditure per the Comprehensive Income and Expenditure Statement		21,294,049

**BALLYMENA BOROUGH
COUNCIL**
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

2b Segmental Reporting Analysis - Comparative Year

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

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

Services	2013/14		
	Gross Expenditure	RESTATED Gross Income	RESTATED Net Expenditure/(Income)
	£	£	£
Culture and Heritage	2,487,187	1,287,515	1,199,672
Recreation and Sport	5,642,426	906,333	4,736,093
Tourism	1,131,525	114,853	1,016,672
Community Services	1,385,105	398,322	986,783
Leisure and Recreational Services	10,646,243	2,707,023	7,939,220
Cemetery, Cremation and Mortuary	421,998	91,216	330,782
Environmental Health	1,297,967	394,443	903,524
Flood Defence and Land Drainage	0	0	0
Public Conveniences	175,220	1,057	174,163
Licensing	22,759	25,912	(3,153)
Other Cleaning	793,959	62,283	731,676
Waste Collection	3,385,124	395,348	2,989,776
Waste Disposal	2,566,302	76,829	2,489,473
Building Control	563,488	281,811	281,677
Other Community Assets	555	0	555
Minor Works	84,880	0	84,880
Environmental Services	9,312,252	1,328,899	7,983,353
Democratic Representation and Management	826,897	1,498	825,399
Corporate Management	1,172,750	145,241	1,027,509
DRM and Corporate Management	1,999,647	146,739	1,852,908
Economic Development	1,212,642	327,193	885,449
Trading Services	32,023	19,780	12,243
Non Distributed Costs	(434,228)	0	(434,228)
Central Services to the Public	646,051	254,668	391,383
Other Services	1,456,488	601,641	854,847
CONTINUING OPERATIONS	23,414,630	4,784,302	18,630,328

Restated Gross Income relates to the transfer of capital grant income from Services Gross Income above to Taxation and Non - Specific Grant Income detailed at note 9.

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

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

	£	£
Net Cost of Services in Service Analysis		18,630,328
<i>Items excluded from Service Analysis:</i>		
Add amounts not reported in Service Analysis but included in Net Cost of Services in the Comprehensive Income and Expenditure Statement	0	
Remove amounts reported in Service Analysis but not included in Net Cost of Services in the Comprehensive Income and Expenditure Statement	0	
		0
Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement		18,630,328
<i>Items included in Net Operating Expenditure excluded from Service Analysis:</i>		
Other Operating Expenditure	(98,763)	
Financing and Investment Income and Expenditure	1,686,263	
Surplus or Deficit on Discontinued Operations	0	
		1,587,500
Net Operating Expenditure per the Comprehensive Income and Expenditure Statement		20,217,828

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

3a Adjustments between accounting basis and funding basis under regulations

	Notes	2014/15 £	2014/15 £	2013/14 £	2013/14 £
Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:					
Impairments (losses & reversals) of non-current assets	10a/b & 10d/e	0		0	
Derecognition (other than disposal) of non-current assets	10a/b & 10d/e	38,308		0	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	10a/b & 10d/e	(175,872)		(107,088)	
Depreciation charged in the year on non-current assets	10a/10b,23	3,172,811	3,033,047	2,880,498	2,773,408
Net Revenue expenditure funded from capital under statute			808,799		140,508
Carrying amount of non current assets sold	10a/b & 10d/e	78,788		58,858	
Proceeds from the sale of PP&E, investment property and intangible assets	23,25	(98,804)	(18,038)	(155,821)	(98,783)
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	25		0		0
Net charges made for retirement benefits in accordance with IAS 19	20		2,158,000		2,284,000
Direct revenue financing of Capital Expenditure	11,25		(1,115,822)		(1,586,807)
Capital Grants and Donated Assets Receivable and Applied in year	9		(48,515)		(515,835)
Capital Grants Receivable and Unapplied in year	9		0		(831,002)
Rates Claw-Back Reserve	25a/25b		0		
Adjustments in relation to Short-term compensated absences	17		18,428		(4,123)
Adjustments in relation to Lessor Arrangements			0		0
Landfill Regulations Reserve Adjustment	25a/25b		0		0
Provisions Discount Rate Reserve Adjustment	25a/25b		0		0
Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year					
Statutory Provision for the financing of Capital Investment	25a/25b		(937,458)		(894,050)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	20b		(1,484,000)		(1,586,411)
			1,706,421		(339,077)

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

		2014/15 £	2014/15 £	2013/14 £	2013/14 £
Capital Fund					
Interest		0		0	
Other	25a/25b	(3,085,000)	(3,085,000)	(2,420,000)	(2,420,000)
Renewal and Repairs Fund					
Interest		0		0	
Other	25a/25b	(181,131)	(181,131)	(223,138)	(223,138)
Other Funds and earmarked reserves					
Interest		0		0	
Other	25a/25b	0	0	(18,298)	(18,298)
			(3,266,131)		(2,661,434)

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

Cost of Services on Continuing Operations

4a Miscellaneous powers to make payments

Under section 37 of the Local Government Finance Act (Northern Ireland) 2011, the council may make payments for any purpose which in its opinion are in the interests of, and will bring direct benefit to:

- a) the Council;
- b) its district or any part of its district;
- c) the inhabitants of its district or any part of its district.

Limits on special payments are calculated by reference to section 40 of the Local Government Finance Act (Northern Ireland) 2011 and for this council the resulting limit was £43,695 for 2014/15 (£43,729 in 2013/14).

The Actual expenditure during 2014/15 amounted to £25,000 (£0 in 2013/14).

4b External Audit Fees

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

	2014/15	2013/14
	£	£
External Audit Fees	29,166	21,300
Grant Claim Certification Fees	0	0
Other Fees-NFI	1,173	0
	30,339	21,300

There were no other fees payable in respect of any other services provided by the appointed auditor over and above those described above (2013/14 £NIL).

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

Cost of Services on Continuing Operations (Continued)

5 Operating and Finance Leases

Council as Lessor:

5a Finance Leases (Council as lessor)

The Council has no finance leases in place.

No contingent rents were recognised as receivable by the Council.

5b Operating Leases (Council as lessor)

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

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

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £110,606 (previous year: £81,498). No contingent rents were recognised.

The lease contracts are all non-cancellable and do not include an extension option. The lease terms are between 2 and 25 years. Future minimum lease income is set out below:

	2015		2014	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease rentals receivable:				
No later than 1 year	130,040	0	73,005	0
Later than 1 year and no later than 5 years	111,968	0	104,873	0
Later than 5 years	153,000	0	169,015	0
	395,008	0	346,893	0

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

	2015		2014	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Cost	16,831,254	0	16,807,663	0
Accumulated depreciation and impairments at 1 April	(1,731,897)	0	(1,062,886)	0
Depreciation charge for the year	(626,613)	0	(577,456)	0
Impairments	1,256,533	0	(91,556)	0
	15,729,277	0	15,075,765	0

Council as Lessee:

5c Finance Leases (Council as lessee)

The Council has no finance leases in place.

5d Operating Leases (Council as lessee)

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

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

	2014/15		2013/14	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease payments	0	139,676	0	133,115
Contingent rentals	0	0	0	0
Less: Sublease payments receivable	0	0	0	0
	0	139,676	0	133,115

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 the Council.

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

	2015		2014	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease rentals payable:				
No later than 1 year	0	93,926	0	104,681
Later than 1 year and no later than 5 years	0	55,180	0	57,211
Later than 5 years	0	0	0	0
	0	149,106	0	161,892

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

Cost of Services on Continuing Operations (Continued)

6 Employee Costs and Members' Allowances

6a Staff Costs

	2014/15	2013/14
	£	£
Salaries and wages	7,591,988	6,979,890
Employers National Insurance	485,870	462,665
Employers pension costs	1,258,117	1,166,650
Total	9,335,975	8,609,205

In addition, agency costs during the year amounted to £1,775,165 (2013/14 £1,480,062).

The Council's current contribution rate to the NILGOSC scheme is 20%. At the last actuarial valuation, dated 31 March 2013, the Fund's assets as a whole were sufficient to meet 91% (2010: 82%) of the liabilities accrued up to that date.

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

	2014/15	2013/14
	FTE	FTE
Environmental services	77	79
Leisure services	90	92
Other	70	74
Total Number	237	245
	Actual Numbers	Actual Numbers
Full-time numbers employed	199	208
Part-time numbers employed	67	66
Total Number	266	274

6c Senior Employees' Remuneration

	2014/15	2013/14
£50,001 to £60,000	6	1
£60,001 to £70,000	0	3
£70,001 to £80,000	1	0
£80,001 to £90,000	1	1
£90,001 to £100,000	0	1
Total Number	8	6

6d Members' Allowances

During the year Members' allowances (paid under Part 3, Sections 31 to 36 of the Local Government Finance Act (NI) 2011), including Employer's costs, totalled £467,949 (2013/14 £374,447) and are as follows:

	2014/15	2013/14
	£	£
Salaries	0	0
Basic allowance	179,589	228,547
Mayor's & Deputy Mayor's Allowance	13,796	11,522
Special Responsibility Allowances	33,774	33,600
Dependents' carers allowance	528	0
Statutory Transition Committee Allowances	2,250	9,000
Employer costs	30,004	52,118
Mileage	16,040	20,815
Conferences and Courses	8,656	7,570
Travel & Subsistence Costs	8,461	10,225
Miscellaneous Costs	651	1,050
Severance Payments *	174,200	0
Total	467,949	374,447

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

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

6e Exit Packages

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

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
£0 to £20,000	1	0	5	3	6	3	5,753	16,829
£20,001 to £40,000	0	0	0	0	0	0	0	0
£40,001 to £60,000	0	0	2	0	2	0	98,455	0
£60,001 to £80,000	0	0	0	0	0	0	0	0
£80,001 to £100,000	0	0	0	0	0	0	0	0
£100,001 to £150,000	0	0	0	0	0	0	0	0
Total	1	0	7	3	8	3	102,208	16,829

The following employee costs disclosed in notes 6f to 6j are not included in the staff costs figures at note 6a.

6f Employee Costs of The North East Rural Development Programme

	2014/15	2013/14
	£	£
Salaries and wages	126,700	177,729
Employers National Insurance	9,540	13,663
Employers pension costs	25,553	32,170
Total	161,793	223,562

6g Employee Costs of The North East Partnership Joint Committee

	2014/15	2013/14
	£	£
Salaries and wages	118,328	102,629
Employers National Insurance	7,832	7,314
Employers pension costs	20,407	17,289
Total	146,567	127,232

Neither North East Partnership Joint Committee or the North East Rural Development Programme has any employee earning more than £50,000.

6h Employee Costs of The Northern Group Health Committee

	2014/15	2013/14
	£	£
Salaries and wages	612,988	648,553
Employers National Insurance	34,940	44,852
Employers pension costs	114,353	116,123
Total	762,281	809,528

6i Employee Costs of The Northern Group Building Control Committee

	2014/15	2013/14
	£	£
Salaries and wages	129,400	122,567
Employers National Insurance	10,082	9,500
Employers pension costs	24,325	21,988
Total	163,807	154,055

Senior Employees' Remuneration for the Northern Group Health & Building Control

	2014/15	2013/14
£50,001 to £60,000	1	3
£60,001 to £70,000	2	0
£70,001 to £80,000	0	0
£80,001 to £90,000	0	0
£90,001 to £100,000	0	0
£100,001 to £110,000	0	0
£110,001 to £120,000	0	0
£120,001 to £130,000	0	0
£130,001 to £140,000	0	0
Total Number	3	3

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

7 Other Operating Expenditure

	2014/15	2013/14
	£	£
Surplus/Deficit on Non-Current Assets excluding sale of Investment Properties	(63,038)	(98,763)
Other Operating Income/Expenditure	0	0
Total Other Operating expenditure	(63,038)	(98,763)

8 Financing and Investment Income and Expenditure

	2014/15			2013/14		
	Gross Expenditure	Gross Income	Net Cost	Gross Expenditure	Gross Income	Net Cost
	£	£	£	£	£	£
Interest Payable and Similar Charges	1,278,481	0	1,278,481	1,322,258	0	1,322,258
Interest and Investment Income	0	153,832	(153,832)	0	129,993	(129,993)
Pensions interest cost	378,000	0	378,000	494,000	0	494,000
Surplus/(Deficit) on trading operations	0	0	0	0	0	0
Changes in Fair Value of Investment Properties	15,000	0	15,000	0	0	0
Other investment income	45,000	0	45,000	0	0	0
	1,716,481	153,832	1,562,649	1,816,258	129,993	1,686,263

9 Taxation and Non-Specific Grant Income

	2014/15	2013/14
	£	£
District Rates Income	20,770,145	20,434,998
Revenue Grants	1,832,721	1,492,305
Capital Grants and Contributions	46,515	1,346,837
Total Taxation and Non-Specific Grant Income	22,449,381	23,274,140

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

10a Long-Term Assets Note - Current Year

	Land		Buildings		Infrastructure Assets		Landside		Property, Plant & Equipment (PP&E)		PP&E Under Construction		Non-Operational Assets		Total PP&E		Investment Properties		Intangible Assets		TOTAL		
	£	€	£	€	£	€	£	€	£	€	£	€	£	€	£	€	£	€	£	€	£	€	
Cost of Valuation at 1 April 2014	8,306,815	7,816,416	108,870	0	0	0	4,787,855	187,784	2,807,871	2,807,871	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments between cost value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	8,306,815	7,816,416	108,870	0	0	0	4,787,855	187,784	2,807,871	2,807,871	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments (Note 11)	0	82,187	0	0	0	0	203,675	(36,405)	786,455	2,061,817	786,455	0	0	0	0	0	0	0	0	0	0	0	0
Derivatives	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation increases/decreases to Revaluation Reserve	36,000	5,418,576	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Surplus or deficit on the Provision of Services	0	201,131	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Disposals	(23,862)	0	0	0	0	0	(702,265)	0	(36,308)	0	(36,308)	0	0	0	0	0	0	0	0	0	0	0	0
Reclassifications & Transfers	0	1,962,731	0	0	0	0	0	0	(1,962,731)	0	(1,962,731)	0	0	0	0	0	0	0	0	0	0	0	0
Reclassified to Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reclassified from Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2015	8,379,813	81,293,741	108,870	0	0	0	4,823,255	181,438	876,238	2,811,947	876,238	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation and Impairment	0	7,297,446	0	0	0	0	3,305,382	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
At 1 April 2014	0	7,297,446	0	0	0	0	3,305,382	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments between cost value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	0	7,297,446	0	0	0	0	3,305,382	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation Charge	0	2,816,259	0	0	0	0	353,635	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation written out on Revaluation Reserve	0	415,728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation written out on Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversible to Revaluation Reserve	0	10,959	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversible to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reclassifications & Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transferred on reclassification to Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2015	0	10,548,337	0	0	0	0	3,527,026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Book Value	8,379,813	70,745,404	108,870	0	0	0	1,296,209	181,438	876,238	2,811,947	876,238	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2014	8,368,515	84,320,970	188,518	0	0	0	1,296,209	187,884	2,801,913	2,801,913	0	0	0	0	0	0	0	0	0	0	0	0	0

Intangible Assets
Ballymena Borough Council does not own any intangible assets.

Investment Properties
There were no additions or enhancement to Investment Properties during the year.
Reclassifications & Transfers includes £0 transferred from inventories during the year.

Valuations
The last valuation of Freehold and Leasehold properties was carried out as at 1 April 2013 by an independent valuer from Land and Property Services. Since the 1st April 2013 Land and Property Services Property Asset Indexes have been applied to value these assets. Please refer to note 1A (2a) for further information on revaluation and depreciation policies.

Effects of Changes in Estimates
There were no material changes in accounting estimates for property, plant & equipment (e.g. a change in remaining useful lives of certain assets following a review by the Council) that happened during the period.
Impairments
There were no material impairment losses recognised or reversed during the period.

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

10b Long-Term Assets Note – Comparative Year

	Land	Buildings	Infrastructure Assets	Leasehold Intangible Assets	Plant & Equipment	Construction Assets	RPIIS (Under Construction)	Non-Operational Assets	Total RPIIS	Intangible Properties	Receivable Assets	TOTAL
Cost on Valuation at 1 April 2013	9,279,875	66,002,806	108,870	0	4,716,832	0	2,054,923	261,947	9,118,571	238,896	0	9,398,467
Adjustments between cost/value & depreciation impairment	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	9,279,875	66,002,806	108,870	0	4,716,832	0	2,054,923	261,947	9,118,571	238,896	0	9,398,467
Additions (Note 11)	0	1,154,045	0	0	337,201	174,256	1,231,837	0	3,843,339	0	0	5,506,739
Disposals	0	0	0	0	0	0	0	0	0	0	0	0
Revaluations increases/decreases in	0	0	0	0	16,438	0	0	0	16,438	0	0	16,438
- Revaluation Reserve	0	0	0	0	16,438	0	0	0	16,438	0	0	16,438
Revaluations increases/decreases to Surplus or Deficit on the Provision of Services	(13,209)	141,577	0	0	(762,296)	0	0	0	126,072	0	0	126,072
- Depreciation - Deposits	0	0	0	0	(762,296)	0	0	0	(762,296)	0	0	(762,296)
- Depreciation - Other	0	0	0	0	0	0	0	0	0	0	0	0
- Revaluations & Transfers	0	1,178,796	0	0	2,772	23	(1,205,046)	0	1,006,525	0	0	1,006,525
- Revaluations held for Sale	0	0	0	0	0	0	0	0	0	0	0	0
- Revaluations transferred from held for Sale	0	0	0	0	0	0	0	0	0	0	0	0
- Revaluations held for Sale at 31 March 2014	0	0	0	0	0	0	0	0	0	0	0	0
- Depreciation and impairment	0	0	0	0	4,361,864	187,364	2,081,811	261,947	6,893,986	238,896	0	7,132,882
- At 1 April 2013	0	4,479,948	5,434	0	3,233,914	0	0	0	7,819,336	0	0	7,819,336
- Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0
- Adjusted opening balance	0	4,479,948	5,434	0	3,233,914	0	0	0	7,819,336	0	0	7,819,336
- Depreciation Charge	0	2,540,881	2,711	0	338,268	0	0	0	3,322,660	0	0	3,322,660
- Depreciation written out on Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0
- Revaluations taken to Surplus or Deficit on the Provision of Services	0	253,336	0	0	0	0	0	0	253,336	0	0	253,336
- Impairment losses/reversals to Revaluation Reserve	0	21,299	0	0	0	0	0	0	21,299	0	0	21,299
- Impairment losses/reversals to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0
- Revaluations - Deposits	0	0	0	0	(762,296)	0	0	0	(762,296)	0	0	(762,296)
- Revaluations - Other	0	0	0	0	0	0	0	0	0	0	0	0
- Revaluations & Transfers	0	0	0	0	0	0	0	0	0	0	0	0
- Eliminated on Revaluation held for Sale	0	0	0	0	0	0	0	0	0	0	0	0
- At 31 March 2014	0	7,287,448	8,153	0	3,265,362	0	0	0	10,860,963	238,896	0	11,100,000
Net Book Value	9,266,676	66,259,378	199,519	0	5,394,270	197,864	3,286,760	261,947	19,798,004	238,896	0	20,037,000
At 31 March 2014	9,279,875	61,812,990	182,228	0	5,382,810	197,864	3,286,760	261,947	19,798,004	238,896	0	20,037,000
At 31 March 2013												

Intangible Assets

Ballymena Borough Council does not own any intangible assets.

Investment Properties

There were no additions or enhancements to Investment Properties during the year.

Reclassifications & Transfers includes ED transferred from inventories during the year

Valuations

The last valuation of Freehold and Leasehold properties was carried out as at 1 April 2011 by an independent valuer from Land and Property Services. Since the 1st April 2011 Land and Property Services Property Asset values have been applied to value these assets. Please refer to note 16 (15a) for further information on revaluation and depreciation policies.

Effects of Changes in Estimates
There were no material changes in accounting estimates for property, plant & equipment (e.g. a change in remaining useful lives of certain assets following a review by the Council) that happened during the period.

Repairs/maintenance
There were no material impairment losses recognised or reversed during the period.

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

10c Long-Term Assets - Leased Assets

The Council has no Long Term Leased Assets.

Heritage Assets

10d

	Museum Collection	Civic Regalia	Mace	Total Assets
	£	£	£	£
Cost or Valuation				
At 1 April 2013	95,000	65,000	2,000	162,000
Additions	0	0	0	0
Disposals	0	0	0	0
Derecognition - Other	0	0	0	0
Revaluation Increases/(Decreases) to Revaluation Reserve	0	0	0	0
Revaluation Increases/(Decreases) to Surplus or Deficit on the Provision of Services	0	0	0	0
Impairment (Losses)/Reversals recognised in the Revaluation Reserve	0	0	0	0
Impairment (Losses)/Reversals recognised in Surplus or Deficit on the Provision of Services	0	0	0	0
At 31 March 2014	95,000	65,000	2,000	162,000
Cost or Valuation				
At 1 April 2014	95,000	65,000	2,000	162,000
Additions	0	0	0	0
Disposals	0	0	0	0
Derecognition - Other	0	0	0	0
Revaluation Increases/(Decreases) to Revaluation Reserve	0	0	0	0
Revaluation Increases/(Decreases) to Surplus or Deficit on the Provision of Services	0	0	0	0
Impairment (Losses)/Reversals recognised in the Revaluation Reserve	0	0	0	0
Impairment (Losses)/Reversals recognised in Surplus or Deficit on the Provision of Services	0	0	0	0
At 31 March 2015	95,000	65,000	2,000	162,000

Mr Mark Donnelly, a Fine Art Consultant valued our museum collection at 31 March 2012 and our Civic Regalia and Mace at 31 March 2013.

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

10e Assets Held for Sale

There were no assets held for sale.

10f Investment Properties

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

	2014/15	2013/14
	£	£
Rental income from investment property	2,860	2,908
Direct operating expenses arising from investment property	(27,015)	(29,832)
Net gain/(loss)	(24,155)	(26,924)

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

11 Capital Expenditure and Capital Financing

	2014/15	2013/14
	£	£
Opening Capital Financing Requirement	25,495,561	26,166,243
<i>Capital Investment</i>		
Property, Plant and Equipment	1,115,922	2,948,759
Investment Properties	0	0
Intangible Assets	0	0
Revenue Expenditure Funded from Capital under Statute	80,879	140,506
<i>Sources of Finance</i>		
Capital Receipts	(96,804)	(155,621)
Government Grants and Other Contributions	(914,197)	(1,123,469)
Transfers from Earmarked Reserves	0	0
<i>Sums set aside from Revenue:</i>		
Direct Revenue Contributions	(1,115,922)	(1,586,807)
Minimum Revenue Provision	(937,458)	(894,050)
Closing Capital Financing Requirement	23,627,981	25,495,561

Explanation of Movements in Year		
Increase in underlying need to borrow	(1,867,580)	(670,682)
Assets acquired under finance leases	0	0
Assets acquired under PFI/PPP contracts	0	0
Increase/(decrease) in Capital Financing Requirement	(1,867,580)	(670,682)

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

12 Future Capital Commitments

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

	Gross Cost £	Grant Aid £	Net Cost £
Schemes underway	13,905,000	3,916,000	9,989,000
Other Commitments	2,015,500	80,000	1,935,500
Total	15,920,500	3,996,000	11,924,500

13 Inventories

	2014/15	2013/14
	£	£
Garage	14,483	14,674
Bins	51,983	46,106
Trading Outlets	17,432	18,138
Stationery	19,565	16,792
Other	1,370	1,471
Total	104,833	97,181

The cost of inventories recognised as expense and included in 'services' amounted to £7,652 (2014: £8,139)

The above figures are stated net of an obsolete stock provision of £5,518 (2014: £5,115).

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

14 Debtors

	2014/15	2013/14
	£	£
14a Long Term Debtors		
NIHE Loans	866,340	900,978
Total Long-Term Debtors	866,340	900,978
14b Short Term Debtors		
Government Departments	1,064,017	837,821
Other Councils	385,718	3,409
Public corporations and trading funds	105,548	238,494
Employee car loans	0	134
Value Added Tax	767,733	530,625
Prepayments	122,916	96,262
NIHE Loans	34,638	32,373
Trade receivables	147,665	239,335
Intercompany Debtor	1,103,539	51,380
Impairment loss - Trade receivables	(9,958)	(19,048)
Total Short-Term Debtors	3,721,816	2,010,785
Total Debtors	4,588,156	2,911,763

Total Trade debtors equals £325,645 , however the analysis above requires trade receivables to be classified between the areas shown above - i.e. Government departments, other councils etc.

The large increase in debtors is due to outstanding amounts due at 31 March 2015 due from our cluster Councils for contributions to cover costs in relation to Local Government Reform.

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

15a Long-Term Investments

The Council does not hold any long term investments.

15b Short-Term Investments

	2014/15	2013/14
	£	£
Investments - deposits for landfill	2,454,807	2,213,360
Investments - other	10,046,920	7,949,689
Total Short-term Investments	12,501,727	10,163,049

Analysed over:

	2014/15	2013/14
	£	£
Other deposits	12,501,727	10,163,049
Total Short-term Investments	12,501,727	10,163,049

Total Long Term and Short-term Investments **12,501,727** **10,163,049**

The Council does not administer any third party investments.

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

16a Short Term Borrowing

	2014/15	2013/14
	£	£
Loans re-payable within one year	938,101	910,467
Total Short Term Borrowing	938,101	910,467

16b Long Term Borrowing

	2014/15	2013/14
	£	£
Between 1 and 2 years	948,613	938,101
Between 2 and 5 years	3,076,085	2,957,410
Between 5 and 10 years	5,178,767	5,135,166
In more than 10 years	13,540,267	14,651,157
Government Loans Fund	22,743,732	23,681,834
Total Borrowing	23,681,833	24,592,301

Interest rates on Government Loans range between 2.2% and 9.5%.

17a Short Term Creditors

	2014/15	2013/14
	£	£
Government Departments	90,608	63,962
Other Councils	38,838	26,873
Public corporations and trading funds	97,980	116,714
Accumulated Absences	194,760	178,332
Intercompany Creditors	355,827	180,779
Trade creditors	1,641,208	1,536,620
Other	263,859	226,746
Total Short Term Creditors	2,683,081	2,330,026

17b Long Term Creditors

The Council have no Long Term Creditors.

District Councils are encouraged to pay suppliers as promptly as possible and to endeavour to meet the 10 day prompt payment commitment made by NI Executive in response to the current economic position. Councils are asked, as a note to the accounts, to complete the information below. Councils are also requested to continually review their payment performance.

The default target for paying invoices, where no other terms are agreed, is 30 days. (It is assumed that 30 days will be 30 calendar days and 10 days will be working days).

During the year the Council paid 12,340 invoices totalling £17,273,527.

The Council paid 11,265 invoices within the 30 day target (91.25%).

The Council paid 7,532 invoices within the 10 day target (61%).

The Council paid 1,075 invoices outside of the 30 day target (8.71%).

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

18 Provisions

	At 1 April 2014	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	At 31 March 2015
	£	£	£	£	£	£
Single status	615,592	0	317,629	0	0	297,963
Insurance claims	174,000	38,088	13,263	0	0	198,825
Landfill closure	2,213,359	118,951	120,861	0	0	2,211,449
Voluntary Redundancy	102,000	0	102,000	0	0	0
Election	0	0	0	0	0	0
Other	0	0	0	0	0	0
	3,104,951	157,039	553,753	0	0	2,708,237

Current Provisions	978,504	128,479	543,143	0	0	563,840
Long Term Provisions	2,126,447	28,560	10,610	0	0	2,144,397
	3,104,951	157,039	553,753	0	0	2,708,237

Comparative Year

	At 1 April 2013	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	At 31 March 2014
	£	£	£	£	£	£
Single status	739,656	7,516	131,580	0	0	615,592
Insurance claims	161,312	55,000	42,312	0	0	174,000
Landfill closure	1,970,001	397,244	153,886	0	0	2,213,359
Voluntary Redundancy	350,000	(235,083)	12,917	0	0	102,000
Election	0	0	0	0	0	0
Other	0	0	0	0	0	0
	3,220,969	224,677	340,695	0	0	3,104,951

Current Provisions	1,321,918	(36,569)	306,845	0	0	978,504
Long Term Provisions	1,899,051	261,246	33,850	0	0	2,126,447
	3,220,969	224,677	340,695	0	0	3,104,951

Provisions-Additional Disclosure

Whilst the majority of the single status process was completed by 31 March 2015 there were some outstanding payments to what was agreed and in addition there is a number of appeals and legal issues outstanding therefore a provision of £297,963 has been made in relation to this.

The Insurance Provision relates to the Council's estimated self insurance liability re employers and public liability claims lodged against the Council. A specific provision totaling £198,825 has been recognised with respect to insurance claims made against Ballymena Borough Council during the last three years. It would be expected that the majority of this expenditure will be incurred within the next three to five years.

The landfill closure provision relates to the subsequent aftercare costs for the closed Ballymacvea landfill site for the next 52 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 the HM Treasury Rates.

No provision has been made in the accounts for severance payments made to senior officers post year end as a result of Local Government Reform. The value of payments made amounted to £314K.

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

19 Financial Instruments

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

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Customers are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council. The provision for bad and doubtful debts reflects the Council's assessment of the risk of non-payment by trade debtors and, as such, there is no further additional estimated exposure to default and inability to collect.

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

	£
Less than three months	£321,960
Three to six months	£2,359
Six months to one year	£0
More than one year	£1,326
	£325,645

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 and Personnel'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 16 to 18. 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 borrowings and investments.

Foreign exchange risk

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

Fair Value of Soft Loans and Government Loans

The Council is in receipt of loans from the Department of Finance and Personnel that differ from the prevailing market rates. The fair value of these loans is £32,893,658 analysed as follows.

	£
Government Loans	32,893,658
Market Loans	0
Total	32,893,658

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

20 Retirement Benefits

20a Participation In the Northern Ireland Local Government Officers' Pension Fund.

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

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

20b Transactions relating to retirement benefits - Comprehensive Income and Expenditure Statement Charges:

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

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

	Note	2014/15	2013/14
		£	£
Net cost of services:			
Current service cost		1,737,000	1,750,000
Past service cost/(gain)		43,000	20,000
Gains and losses on settlements or curtailments		0	0
Net operating expenditure:			
Net Interest on net defined benefit Liability (asset)		378,000	494,000
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services		2,158,000	2,264,000
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(2,158,000)	(2,264,000)
Actual amount charged against the general fund balance for pensions in the year:			
Employers' contributions payable to scheme		1,464,000	1,586,411
Net charge to the Comprehensive Income and Expenditure Statement		(694,000)	(677,589)

The service cost figures include an allowance for administration expenses of 1.2% (2014: 1.1%)

Remeasurements recognised in Other Comprehensive Income and Expenditure

	Note	2014/15	2013/14
Liability gains/(losses) due to change in assumptions		(6,127,000)	3,608,000
Liability experience gains/(losses) arising in the year		275,000	(422,000)
Actuarial gains/(losses) on plan assets		4,097,000	(150,000)
Other - (if applicable)			
Total gains/(losses) recognised in Other Comprehensive Income and Expenditure		(1,755,000)	3,036,000

20c Assets and liabilities in relation to retirement benefits

Reconciliation of present value of the scheme liabilities:

	Note	2014/15	2013/14
		£	£
Balance as at 1 April		56,092,000	56,376,000
Current service cost		1,737,000	1,750,000
Interest cost		2,380,000	2,507,000
Contributions by members		448,000	430,000
Remeasurement (gains) and losses:			
- Actuarial gains/losses arising on liabilities from experience		(275,000)	422,000
- Actuarial gains/losses arising from demographic changes		0	(2,095,000)
- Actuarial gains/losses arising from changes in financial assumptions		6,127,000	(1,513,000)
- Other (if applicable)			
Past service costs/(gains)		43,000	20,000
Losses/(gains) on curtailments		0	0
Liabilities extinguished on settlements		0	0
Estimated unfunded benefits paid		(24,000)	(23,000)
Estimated benefits paid		(1,976,000)	(1,782,000)
Balance as at 31 March		64,552,000	58,092,000

Reconciliation of present value of the scheme assets:

	Note	2014/15	2013/14
		£	£
Balance as at 1 April		43,587,000	44,722,000
Interest Income		2,002,000	2,013,000
Contributions by members		448,000	430,000
Contributions by employer		1,440,000	1,354,780
Contributions in respect of unfunded benefits		24,000	23,000
Remeasurement gain/(loss)		4,097,000	(150,000)
Actuarial gain/(loss)		0	(780)
Unfunded benefits paid		(24,000)	(23,000)
Benefits paid		(1,976,000)	(1,782,000)
Balance as at 31 March		52,598,000	46,587,000

Ballymena Borough Council employs a building block approach in determining the Rate of Return on Fund Assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns, consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the fund at 31 March 2015.

The actual return on scheme assets in the year was a gain of £6.099m (2013/14 gain of £1.863m).

Fair Value of Plan Assets

RESTATED

	31/03/2015	31/03/2014	31/03/2013
	£	£	£
Equity investments	38,396,540	34,568,000	33,810,000
Bonds	6,416,956	5,590,000	5,098,000
Property	6,627,348	5,218,000	3,444,000
Cash	1,157,156	1,211,000	2,370,000
	52,598,000	46,587,000	44,722,000

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

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

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

RESTATED

	31/03/2015	31/03/2014	31/03/2013
	£	£	£
Fair Value of Employer Assets	52,598,000	46,587,000	44,722,000
Present value of funded defined benefit obligation	(64,234,000)	(55,782,000)	(55,996,000)
Pension asset/(liability) of Funded Scheme	(11,636,000)	(9,195,000)	(11,274,000)
Present Value of unfunded defined benefit obligation	(318,000)	(310,000)	(380,000)
Other movement in the liability (asset) (if applicable)	0	0	0
Net asset/(liability) arising from the defined benefit obligation	(11,954,000)	(9,505,000)	(11,654,000)
<i>Amount in the Balance sheet:</i>			
Liabilities	(11,954,000)	(9,505,000)	(11,863,411)
Assets	0	0	0
Net Asset/(Liability)	(11,954,000)	(9,505,000)	(11,863,411)

20d Scheme history

Analysis of scheme assets and liabilities

RESTATED

	31/03/2015	31/03/2014	31/03/2013
	£	£	£
Fair Value of Assets in pension scheme	52,598,000	46,587,000	44,722,000
Present Value of Defined Benefit Obligation	(64,552,000)	(56,092,000)	(56,376,000)
Surplus/(deficit) in the Scheme	(11,954,000)	(9,505,000)	(11,654,000)

Amount recognised in Other Comprehensive Income and Expenditure:				RESTATED
	31/03/2015	31/03/2014	31/03/2013	
	£	£	£	£
Actuarial gains/(losses)	(5,852,000)	3,186,000	(5,668,000)	
Expected Return on Plan Assets	4,097,000	(150,000)	4,769,000	
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	0	0	0	
Remeasurements recognised in Other Comprehensive Income and Expenditure	(1,755,000)	3,036,000	(899,000)	
Cumulative actuarial gains and losses	(4,640,000)	(2,885,000)	(5,921,000)	

History of experience gains and losses:

Experience gains and (losses) on assets	4,097,000	(150,000)	4,427,000
Experience gains and (losses) on liabilities	275,000	422,000	53,000

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £11.9m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in a net liability of £36.8m.

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 2016

	31/03/2016	31/03/2016
	£	%
Projected current cost	1,877,000	83.9%
Net Interest on the net defined benefit liability (asset)	359,000	16.1%
Past service cost	0	0.0%
Gains and losses on settlements or curtailments	0	0.0%
	2,236,000	100.0%

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 2016 is £1.4m.

History of experience gains and losses

The actuarial gains identified as movements on the Pensions Reserve 2014/15 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2015.

				RESTATED
	31/03/2015	31/03/2014	31/03/2013	
	%	%	%	%
Experience gains and (losses) on Assets	7.8%	-0.3%	9.9%	
Experience gains and (losses) on Liabilities	-0.4%	-0.8%	-0.1%	

20e Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The Council's Fund liabilities have been assessed by AON Hewitt Ltd, an independent firm of actuaries, estimates for the Council Fund being based on data pertaining to the latest full valuation of the scheme as at 31 March 2013.

	2014/15	2013/14
Mortality assumptions:		
<i>Longevity at 65 current pensioners:</i>		
Men	22.2 years	22.1 years
Women	24.7 years	24.6 years
<i>Longevity at 65 for future pensioners:</i>		
Men	24.4 years	24.3 years
Women	27 years	26.9 years
Inflation/Pension Increase Rate	1.80%	2.40%
Salary Increase Rate	3.30%	3.90%
Discount Rate	3.20%	4.30%
Take-up of option to convert annual pension into retirement lump sum:		
Service to April 2009	75%	75%
Service post April 2009	75%	75%

20f Pension Assumptions Sensitivity Analysis

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

The approximate impact of changing key assumptions on the present value of the funded defined benefit obligation as at 31 March 2015 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		
Adjustment to discount rate	+0.1% p.a.	-0.1% p.a.
Present value of the total obligation	63,039,000	65,452,000
% change in the present value of the total obligation	-1.90%	1.90%
Projected service cost	1,816,000	1,940,000
Approximate % change in projected service cost	-3.20%	3.30%
Rate of General Increase in Salaries		
Adjustment to salary increase rate	+0.1% p.a.	-0.1% p.a.
Present value of the total obligation	64,657,000	63,816,000
% change in the present value of the total obligation	0.70%	-0.70%
Projected service cost	1,877,000	1,877,000
Approximate % change in projected service cost	0.00%	0.00%
Rate of Increase to Pensions in Payment and Deferred Pension Assumption		
Adjustment to pension increase rate	+0.1% p.a.	-0.1% p.a.
Present value of the total obligation	65,104,000	63,376,000
% change in the present value of the total obligation	1.40%	-1.30%
Projected service cost	1,940,000	1,816,000
Approximate % change in projected service cost	3.30%	-3.20%
Post Retirement Mortality Assumption		
Adjustment to the mortality age rating assumption *	-1 Year	+1 Year
Present value of the total obligation	65,965,000	62,501,000
% change in the present value of the total obligation	2.70%	-2.70%
Projected service cost	1,940,000	1,814,000
Approximate % change in projected service cost	3.40%	-3.40%

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

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

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

	31/03/2015	31/03/2014	31/03/2013
	%	%	%
Equity investments	73.0	74.2	75.6
Bonds	12.2	12.0	11.4
Property	12.6	11.2	7.7
Cash	2.2	2.6	5.3
	100.0	100.0	100.0

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

21 Donated Assets Account

The Council does not hold any donated assets.

22 Capital Grants Received in Advance

	Note	2014/15	2013/14
		£	£
Opening balance		25,796	0
Add: new capital grants received in advance (condition of use not met)		15,711	25,796
Less: amounts released to the Comprehensive Income and Expenditure Statement		(25,796)	0
		15,711	25,796

Analysis of Capital Grants Receipts In Advance Balance

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

	Note	2014/15	2013/14
		£	£
Capital Grants Receipts in Advance			
Grant for Outdoor Gym equipment		15,711	25,796
		15,711	25,796

23 Contingencies

The Northern Ireland Environment Agency will be reviewing the adequacy of the Council's financial provision for landfill capping and aftercare costs in line with its paper "Financial Provision for Waste Management activities in NI". As a consequence the current landfill closure provision in the financial statements may change.

Council along with its constituent Councils within the Arc21 Joint Committee may be required to contribute £66,372 to enable Arc21 to take the procurement of a Residual Waste Treatment to a successful outcome.

Council may also be required to carry out work in order to rectify another waste management issue. RPS are currently completing an up to date report on costs likely to be in the region of £50,000 - £100,000.

However, due to the uncertainty around the above two pieces of work being effected, council have not made a provision for these costs in the current financial statements, but have included them as contingent liabilities for the future.

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

24a Analysis of Adjustments to Surplus/Deficit on the Provision of Services

	2014/15	2013/14
Notes	£	£
Adjustment to surplus or deficit on the provision of services for noncash movements		
Depreciation	3,172,611	2,880,496
Impairment & downward revaluations (& non-sale)	(124,564)	(107,088)
Amortisation (included with depreciation above)	0	
(Increase)/Decrease in Stock	(7,652)	8,139
(Increase)/Decrease in Debtors	(1,667,303)	996,182
Increase/(decrease) in impairment provision for bad debts	(9,090)	(3,053)
Increase/(Decrease) in Creditors	358,678	(485,592)
Increase/(Decrease) in Interest Creditors	0	0
Payments to NILGOSC	694,000	677,589
Carrying amount of non-current assets sold	78,766	56,858
AIC/WIP written off to Net Cost of Services	0	0
Pension Payment to NILGOSC		18,656
Contributions to Other Reserves/Provisions	(396,711)	(116,018)
Movement in value of investment properties-included above in Impairment & downward revaluations (& non-sale derecognitions)	(15,000)	0
Amounts posted to CIES from Donated Assets Account	0	0
21	<u>2,083,735</u>	<u>3,926,169</u>
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	0	0
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	0	0
Proceeds from the sale of PP&E, investment property and intangible assets	(96,604)	(165,621)
Capital grants included in "Taxation & non-specific grant income"	(46,515)	(1,346,837)
	<u>(143,319)</u>	<u>(1,502,458)</u>

BALLYMENA
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

24b Cash and Cash Equivalents

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

	31/03/2015 £	31/03/2014 £	31/03/2013 £
Cash and Bank balances	0	6,252	4,520
Short Term Investments (considered to be Cash Equivalents)	1,995,266	3,442,983	312,028
Short Term Deposits (considered to be Cash Equivalents)	0	0	0
Bank Overdraft	(443,785)	(756,043)	(172,247)
	1,551,481	2,693,192	144,301

24c Cash Flow Statement-Operating Activities

	2014/15 £	2013/14 £
<i>The cash flows from operating activities include:</i>		
Interest received	<u>61,059</u>	<u>129,993</u>
Interest paid	<u>1,293,481</u>	<u>1,329,217</u>

BALLYMENA
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

24d Cash flows from Investing Activities

	2014/15 £	2013/14 £
Purchase of PP&E, investment property and intangible assets	1,115,922	2,948,759
Purchase of Short Term Investments (not considered to be cash equivalents)	2,338,678	591,975
Purchase of Long Term Investments	0	0
Other Payments for Investing Activities	0	0
Proceeds from the sale of PP&E, investment property and intangible assets	(96,804)	(155,621)
Proceeds from Short Term Investments (not considered to be cash equivalents)	0	0
Proceeds from Long Term Investments	0	0
Capital Grants and Contributions Received	(30,804)	(1,321,041)
Other Receipts from Investing Activities	0	0
Net Cash flows from Investing Activities	<u>3,326,992</u>	<u>2,064,072</u>

	2014/15 £	2013/14 £
24e Cash flows from Financing Activities		
Cash Receipts from Short and Long Term Borrowing	0	0
Other Receipts from Financing Activities	0	0
Cash payments for the reduction of the outstanding liability relating to a finance lease and on-Balance Sheet PFI contracts	0	0
Repayment of Short and Long Term Borrowing	(910,467)	(867,059)
Other payments for Financing Activities	0	0
Net Cash flows from Financing Activities	<u>(910,467)</u>	<u>(867,059)</u>

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

25a Analysis of Movement on Reserves - Current Year

	USABLE RESERVES					UNUSABLE RESERVES					TOTAL USABLE RESERVES	TOTAL UNUSABLE RESERVES	TOTAL AUTHORITY RESERVES		
	Capital Grants Receipts Reserve	Capital Fund	Reserve & Repairs Balance and Fund	Other (Section Reserve)	General Fund	Capital Adjustment Account	Financial Instruments Adjustment Account	Reserve Available for Repayment	Reserve for Financial Instruments	Deferred Capital Receipts Account				Accumulated Amortisation Account	Provisional Disposal Reserve
At 1 April 2014	0	897,682	4,239,023	2,081,826	1,052,478	4,961,012	0	0	0	0	0	0	0	43,384,167	48,345,179
Movements during the year:															
Applied Capital Grants	0	0	0	0	(48,575)	(48,575)	0	0	0	0	0	0	0	0	0
Unapplied Capital Grants received in year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unapplied Capital Grants transferred to CAA in year	0	(487,682)	0	0	0	(487,682)	0	0	0	0	0	0	0	0	0
Direct Revenue Financing	0	0	0	0	(1,118,822)	(1,118,822)	0	0	0	0	0	0	0	0	0
Depreciation & Impairment adjustment	0	0	0	0	3,023,847	3,023,847	0	0	0	0	0	0	0	0	0
Contingency Provision for Investing Capital Expenditure	0	0	0	0	(837,429)	(837,429)	0	0	0	0	0	0	0	0	0
Net Revenue expenditure funded from capital grants income	0	0	0	0	80,879	80,879	0	0	0	0	0	0	0	0	0
Surplus (Deficit) on the Provision of Services	0	0	0	0	1,186,330	1,186,330	0	0	0	0	0	0	0	0	0
Transfers between Statutory and Other Reserves and the General Fund	0	0	3,029,023	(4,111,121)	0	(1,082,098)	0	0	0	0	0	0	0	0	0
Net movements on Provision Reserve	0	0	0	0	984,232	984,232	0	0	0	0	0	0	0	0	0
Disposal of Fixed Assets/Capital Sales	0	0	0	0	(18,029)	(18,029)	0	0	0	0	0	0	0	0	0
Capital Receipts used to finance capital expenditure	0	0	0	0	(76,364)	(76,364)	0	0	0	0	0	0	0	0	0
Difference between Income and other costs and Income (excludes an accounting loss and Income costs relating to expenditure on voluntary requirements)	0	0	0	0	18,420	18,420	0	0	0	0	0	0	0	0	0
Revaluation & Impairment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Movements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers between Capital Fund/Retained & Repair Fund & CAA to finance capital expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total movements on reserves during the year (Change in Net Worth)	0	(897,682)	2,869,266	191,121	(488,379)	1,684,526	0	0	0	0	0	0	0	2,452,197	4,136,723
At 31 March 2015	0	0	6,998,289	2,272,947	1,564,149	11,835,635	0	0	0	0	0	0	0	45,836,364	57,671,999

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

25b Analysis of Movement on Reserves - Comparative Year

	CAPITAL RESERVES				TOTAL USABLE RESERVES				UNREALISED RESERVES				TOTAL AUTHORITY RESERVES
	Capital Receipts Reserve	Capital Grants Unexpended Account	Capital Fund	Reserve & Repair Fund	Other Balances and Reverses (e.g. Election Return)	General Fund	Capital Adjustment Account	Financial Instruments Adjustment Account	Reserve Available for Financial Instruments	Provision Reserve	Accumulated Allowance Account	Provision Discount Rate	
At 1 April 2011	0	644,314	3,000,000	1,125,190	1,957,230	0	0	0	0	0	0	0	44,678,177
Accounting Policy Changes - Retrospective Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0
At 1 April 2013	0	644,314	3,000,000	1,125,190	1,957,230	0	0	0	0	0	0	0	44,678,177
Movements during the year:													
Transfer of Capital Grants	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer of Capital Grants received to year	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer of Capital Grants transferred to CAA in year	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer of Revenue Financing	0	0	0	0	0	0	0	0	0	0	0	0	0
Provision & Impairment adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer of principal repayments	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Revenue expenditure funded from capital under transfer	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer (to/from) on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer between Stability and Other Reserves and the General Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
Net movements on Reserve Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposit of Fixed Assets/Capital Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Receipts used to finance capital expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0
Differences between Balance and other debts and income (including on the movement on the loan and the cash) - utilised in accordance with liability requirements	0	0	0	0	0	0	0	0	0	0	0	0	0
Provision & Impairment	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Movements	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer between Capital Fund/Reserve & Repair Fund & CAA to finance capital expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0
Total movements on reserves during the year (Change in Net Worth)	0	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2014	0	644,314	3,000,000	1,125,190	1,957,230	0	0	0	0	0	0	0	44,678,177
At 31 March 2015	0	644,314	3,000,000	1,125,190	1,957,230	0	0	0	0	0	0	0	44,678,177

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
Usable Reserves
FOR THE YEAR ENDED 31 MARCH 2015

26a Capital Receipts Reserve

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

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).

26b Capital Grants Unapplied account

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

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

26c Capital Fund

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

	£
General	8,505,000
Total	8,505,000

26d Renewal and Repairs Fund

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

	£
General	2,212,957
Total	2,212,957

26e Other Balances & Reserves

This reserve is used to equalise (smooth) the cost of elections, legal fees and other miscellaneous costs.

26f General Fund

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

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
Unusable Reserves
FOR THE YEAR ENDED 31 MARCH 2015

26g 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 contains accumulated gains and losses on Investment Properties 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.

26h 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.

26i Pension Reserve

Refer to note 20.

26j 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.

27 Significant Trading Operations

The Council does not have significant trading operations.

28 Agency Services

The Council does not provide any agency services

BALLYMENA BOROUGH COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

29 Related Party Transactions

A Related Party Transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related Party Transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the Council or the Government of which it forms part. A related party is one that has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes cases where the related party entity and another entity are subject to common control but excludes providers of finance in the course of their normal business with the Council and Trade Unions in the course of their normal dealings with the Council. In addition where the relationship with the Council and the entity is solely that of an Agency (see note 28) these are not deemed to be Related Party Transactions.

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 the Management Committees in relation to some of the organisations listed. Any payments were made with proper consideration of declaration of interests. Their representation was non-beneficial and was part of the conditions of awarding monies and was aimed at safeguarding the Council's interest.

In the table below and the corresponding tables throughout the note the related party transactions are as follows:

	31/03/2015	31/03/2014
Arc 21	2,151,890	1,949,561
Ballee & Harryville Community Enterprise	61,842	75,181
Ballymena Citizens Advice Bureau	103,420	0
Ballymena North Partnership	41,821	76,255
Ballymena Town Centre Development	16,434	4,442
Causeway Coast & Glens Heritage Trust	11,000	14,900
Causeway Coast & Glens Tourism Partnership	27,565	32,094
Dunclug Partnership	27,880	4,697
Glenravel Community Association	3,780	0
Lough Neagh Partnership	8,000	3,500
NILGA	14,862	18,744
North Eastern Education & Library Board - Rental of premises	0	9,641
Bann Maine West	26,329	28,598
Hillstown Rural Community Group	0	5,500
	2,494,823	2,223,113

Council Car scheme

2 Council Directors avail of the Council Car lease scheme and make a contribution towards lease costs.

Group Committees

Ballymena Borough Council is the employer Council for Northern Environmental Health Group and North Eastern Building Control Group. Costs are as follows:

Environmental Health Costs

The Northern Environmental Health Group is made up of ten Councils, Group Income and Expenditure for the year 2014/15 were as follows:

	2014/15	2013/14
	£	£
Income	1,737,934	1,660,464
Expenditure	1,615,769	1,684,341
Surplus/(Deficit) for the year	122,165	(23,877)
Surplus brought forward	79,217	103,094
Surplus carried forward	201,382	79,217

The Council made contributions of £77,277 to the Group during the 2014/15 year (£77,381 during the year 2013/14).

The summary Balance Sheet for The Northern Environmental Health Group is as follows:

	2014/15	2013/14
	£	£
Total Assets	201,381	415,665
Total Liabilities	51,345	391,212
Net Worth	150,036	24,453
Reserves	150,036	24,453

Building Regulation Costs

The North Eastern Building Control Group is made up of six Councils, Group Income and Expenditure for the year 2014/15 were as follows:

	2014/15	2013/14
	£	£
Income	236,848	249,751
Expenditure	338,742	250,172
Surplus/(Deficit) for the year	(101,894)	(421)
Surplus brought forward	12,926	13,347
Surplus carried forward	(88,968)	12,926

The Council made contributions of £50,095 to the Group during the 2014/15 year (£53,141 during the year 2013/14).

The summary Balance Sheet for The North Eastern Building Control Group is as follows:

	2014/15	2013/14
	£	£
Total Assets	66,838	27,533
Total Liabilities	182,027	43,889
Net Worth	(115,189)	(16,356)
Reserves	(115,189)	(16,356)

In addition Council received a management fee of £13,000 from North Eastern Building Control Group and £61,599 Northern Environmental Health Group.

At the year end the Council was owed by/(owed to) the following monies:

	2014/15	2013/14
	£	£
N E Building Control Group	155,805	(4,069)
Northern Environmental Health Group	(20,479)	(134,463)
	135,326	(138,532)

Joint Committees

North East Region Rural Development Programme

The North East Region Rural Development Joint Committee is the delivery mechanism for the Northern Ireland Rural Development Programme (NIRDP) 2007-2013. It comprises the Council Areas of Ballymena, Ballymoney, Coleraine, Larne and Moyle. The Northern Ireland Rural Development Programme is funded by the European Agricultural Fund for Rural Development and the Department of Agriculture and Rural Development (DARD). Ballymena Borough Council acts as the Administrative Council with responsibility for all financial and administrative matters.

Ballymena Borough Council administers the payments and income for the Joint Committee but these transactions are not reflected in Ballymena Borough Council's accounts. Instead they are reflected in the North East Region Rural Development Joint Committee's statement of accounts for the year ended 31st March 2015. These statements are prepared under the Local Government (Northern Ireland) Order 2005 and are subject to statutory audit by a local government auditor.

Joint Committee income and expenditure for the year 2014/15 were as follows:

	2014/15	2013/14
	£	£
Income	260,528	294,353
Expenditure	260,528	294,353
Surplus/(Deficit) for the year	0	0
Surplus brought forward	0	0
Surplus carried forward	0	0

North East Partnership Joint Committee

The North East Partnership Joint Committee is the delivery mechanism for the INTERREG IVA Programme 2007-2013. It comprises the Council Areas of Antrim, Ballymena, Ballymoney, Carrickfergus, Coleraine, Larne, Moyle and Newtownabbey. The INTERREG IVA Programme is a European Union Structural Funds programme provided by the Special EU Programmes Body. Ballymena Borough Council acts as the Administrative Council with responsibility for all financial and administrative matters.

Ballymena Borough Council administers the payments and income for the Joint Committee but these transactions are not reflected in Ballymena Borough Council's accounts. Instead they are reflected in the North East Partnership Joint Committee's statement of accounts for the year ended 31st March 2015. These statements are prepared under the Local Government (Northern Ireland) Order 2005 and are subject to statutory audit by a local government auditor.

Joint Committee income and expenditure for the year 2014/15 were as follows:

	2014/15	2013/14
	£	£
Income	197,339	190,224
Expenditure	197,339	190,224
Surplus/(Deficit) for the year	0	0
Surplus brought forward	0	0
Surplus carried forward	0	0

Ballymena Borough Council made a contribution of £2,000 to the group during the year.

Peace III

The Council participates in the North East Peace III Partnership Joint Committee. Under this arrangement Peace III funding is available from the Special EU Programmes Body. The Council is part of this Joint Committee with Coleraine, Limavady, Ballymoney, Moyle and Larne. Coleraine Borough Council acts as the Administrative Council with responsibility for all financial and administrative matters.

Coleraine Borough Council administers the payments and income for the Joint Committee but these transactions are not reflected in Coleraine Borough Council's accounts. Instead they are reflected in the North East Peace III Partnership Joint Committee's statement of accounts for the year ended 31 March 2015. These statements are prepared under the Local Government (Northern Ireland) Order 2005 and are subject to statutory audit by a local government auditor.

Arc21

The Council is a member of the Arc21 Joint Committee which is established for the purposes of managing waste. During the year the Council made a contribution of £48k (£47k in 2013/14) towards the running costs of Arc21. The Council also made payments to Arc21 of £2.1m (£1.9m in 2013/14) for those waste management contracts specifically procured and managed by Arc21 on behalf of the Council.

The Joint Committee is a partnership of Antrim, Ards, Ballymena, Belfast, Carrickfergus, Castlereagh, Down, Larne, Lisburn, Newtownabbey and North 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 a local government auditor.

Mid and East Antrim Statutory Transition Committee

The Mid and East Antrim Statutory Transition Committee was formed pursuant to the powers conferred by the Local Government (Statutory Transition Committees) Regulations (Northern Ireland) 2013.

The Mid and East Antrim Statutory Transition Committee is comprised of 15 Councillors, 5 from each of the three constituent councils of which Ballymena Borough Council is the Lead Administrative Council.

The Constituent Councils are:
Ballymena Borough Council
Carrickfergus Borough Council
Larne Borough Council

The Statutory Transition Committee income and expenditure for the year 2014/15 were as follows:

	2014/15	2013/14
	£	£
Income	347,975	85,432
Expenditure	347,975	85,432
Surplus/(Deficit) for the year	0	0
Surplus brought forward	0	0
Surplus carried forward	0	0

The Council made contributions of £108,083 to the Statutory Transition Committee during the 2014/15 year.

Mid and East Antrim District Council

As part of local government reform 11 New Councils in Northern Ireland were established under the Local Government Act (Northern Ireland) 1972 as amended by the Local Government (Boundaries) Act (Northern Ireland) 2008.

The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 made transitional provision for the New Councils, which came into existence on 26th May 2014 and operated in shadow form until they took over full responsibility for local government on the 1st April 2015 when the 26 predecessor councils ceased to exist.

Ballymena Borough Council administered the payments and income for the Shadow Council but these transactions are not reflected in Ballymena Borough Council's accounts. Instead they are reflected in the Shadow Council's statement of accounts for the year ended 31st March 2015. These statements are prepared under the Local Government (Northern Ireland) Order 2005 and are subject to statutory audit by a local government auditor.

The Shadow Council's income and expenditure for the year 2014/15 were as follows:

	2014/15
	£
Income	1,207,185
Expenditure	1,264,082
Surplus/(Deficit) for the year	(56,897)
Surplus brought forward	0
Surplus carried forward	(56,897)

The Council made contributions of £288,137 to the Shadow Council during the 2014/15 year.

In addition to the above relationships the Northern Ireland Assembly exerts significant influence through legislation and grant funding.

**BALLYMENA BOROUGH COUNCIL
Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

Accounts Authorised for the Issue Certificate

In accordance with International Accounting Standard 10 (IAS10) this Statement of Accounts which contains a number of material amendments from the Accounts approved on 29th June 2015 is at today's date hereby authorised for issue. Any material amendments will be explained and reported in accordance with Regulation 12 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006.

IAS 10 sets out

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

Material Amendments

- The net book value of land and buildings has decreased by £545,632 which has been offset with a corresponding decrease within the revaluation reserve.

Signed


.....
Chief Financial Officer

Date

.26.10.15.....