

CARRICKFERGUS BOROUGH COUNCIL

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2015**

**Carrickfergus 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.

This Statement of Accounts explains Carrickfergus Borough Council's finances during the financial year 2014/2015 and its financial position at the end of that year. It follows approved accounting standards and is necessarily technical in parts.

The Explanatory Foreword is not part of the financial statements but is prepared on the basis that it is consistent with the financial statements. In addition, the Explanatory Foreword does not purport to comment on Council policies.

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 committees. For further detail see Note 32. Carrickfergus Borough Council does not have material interests in such bodies and accordingly is not required to prepare group financial statements.

The Statement of Accounts comprises :

An explanatory foreword - reports on significant matters in accounting statements

Annual Governance Statement

Certificate of Chief Financial Officer and Council Approval of Statement of Accounts

The financial statements (detailed hereunder); and

Notes to the financial statements (includes accounting policies)

Explanatory Foreword

The core financial statements for the year ended 31 March 2015 consist of :

The Movement in Reserves Statement

This statement, as set out on page 24, shows the movement in the year on the different reserves held by the Council, analysed into "usable reserves" (ie 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 25, 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 26, shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, ie those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

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The Cash Flow Statement

The Cash Flow Statement, as set out on page 27, 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's deficit was £443,261, compared to a budgeted deficit of £115,000. This reduced the credit balance on the General Fund reserve to £527,248.

The following gives a comparison between the estimated and actual income and expenditure for the year :

| | Actual | Budget | Positive/ (Adverse) Variance |
|---|-------------------|-------------------|------------------------------------|
| | £ | £ | £ |
| Expenditure | | | |
| Minimum Revenue Provision and Interest Costs-Note 8 and 11 | 2,166,021 | 2,357,591 | 191,570 |
| Single Status/Job Evaluation Provision--Note 18 | 28,582 | 160,000 | 131,418 |
| Net Transfer from General Fund to Renewal and Repairs Fund--Note 3b | 173,775 | 0 | (173,775) |
| Other Expenditure(excl capital charges) | 13,690,504 | 13,302,968 | (387,536) |
| | 16,058,882 | 15,820,559 | (238,323) |
| Income | | | |
| Miscellaneous | 3,321,917 | 3,433,889 | (111,972) |
| General Grant--Note 9a | 936,230 | 931,316 | 4,914 |
| District Rates--Note 9d | 11,357,474 | 11,340,354 | 17,120 |
| | 15,615,621 | 15,705,559 | (89,938) |
| Increase/ (Decrease) for the Year | (443,261) | (115,000) | (328,261) |

The above figures reflect adjustments between accounting basis and funding basis under regulations, as detailed in Note 3, whereas the figures recorded in the Comprehensive Income and Expenditure Statement on page 25 do not. The net deficit for 2014/2015 is £443,261 and this agrees with the movement in the year on the Movement in Reserves Statement

Explanatory Foreword

Assets and Liabilities

Carrickfergus Borough Council can finance capital expenditure using :

- Loan finance (loan or lease)
- grant aid
- capital receipts-proceeds from sale of capital assets
- capital fund/repairs and renewal fund
- transfer of funds from revenue sources

Expenditure on Non Current Assets during the year amounted to £1,045,825 the most significant spends were on Eden Community Centre £125,387, Greenisland Playarea £91,723, Marina Dredging £100,225 and Carrickfergus Rangers £222,004.

During the year £570,502 of Assets under construction was transferred to non current assets buildings/structures and investment properties

As at 31/3/2015 this leaves a balance of £222,415 for Assets under construction which is summarised as follows:

| | |
|-----------------|---------|
| Marina Dredging | 222,415 |
|-----------------|---------|

| |
|---------|
| 222,415 |
|---------|

Material Charges and Credits

During the year under review there were no material charges or credits in the accounts.

Statutory Functions

There were no significant changes in statutory functions during the year under review which had a significant impact on the accounts.

Council Borrowing

The total long term loans outstanding at 31 March 2015 was £22,669,510, made

Explanatory Foreword

up of £21,752,510 from the Government Loans Fund and the balance of £917,000 from commercial bankers. During the year loans totalling £965,500 were raised through the Government Loans Fund to finance capital expenditure. The cost of servicing long term loans was £2,033,064 (principal £962,848 and interest of £1,070,216). During the year there were no additional assets purchased through finance leases and the cost of servicing finance lease agreements during the year was £128,551 (principal £112,889 and interest £15,662).

Local Government Reform--Post Balance Sheet Events

From 1st April 2015, Carrickfergus Borough Council will cease to exist and its functions will be transferred to the new Mid and East Antrim Borough Council

Mid and East Antrim Borough Council combines the previous councils of Carrickfergus, Ballymena and Larne into one new body constituted under the framework established by the Local Government Act (Northern Ireland) 2014.

Under regulation 11 of the Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014, the new council will designate an officer as having responsibility for the winding up of its predecessor councils.

This designated officer will have responsibility for the preparation of final statements of account for predecessor councils in a form directed by the Department under regulation 4 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006.

These accounts are prepared on a going concern basis in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom.

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 at a Meeting of the Mid and East Antrim Audit and Scrutiny Committee held 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 give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

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

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

The Chief Financial Officer is also required to:

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

CARRICKFERGUS BOROUGH COUNCIL ANNUAL GOVERNANCE STATEMENT 2014-15

Scope of responsibility

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

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

The Council has prepared this Annual Governance Statement which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*, and which is in full compliance with the Framework for the year commencing 1 April 2014. This statement explains how the Council has achieved this and also meets the requirements of Regulation 2A of the Local Government Accounts and Audit (Amendment) Regulations (Northern Ireland) 2006 in relation to the publication of a statement on internal control.

The Council's financial management arrangements conform with the governance requirements of the CIPFA *Statement on the Role of the Chief Financial Officer in Local Government* (2010) as set out in the Application Note to *Delivering Good Governance in Local Government Framework* in all aspects with one exception.

Principle 5 states that the Chief Finance Officer ("CFO") in a local authority must be professionally qualified and suitably experienced.

While the Council is not in compliance with the code in this respect, it should be noted that Northern Ireland regulations do not require the CFO to be professionally qualified. Furthermore the Code indicates that when a local authority does not comply with the CIPFA

statement, it is appropriate to set out how governance arrangements deliver the same impact.

The CFO is supported by suitably qualified and experienced staff within the finance function to ensure that decisions made by the CFO are based on sound technical knowledge and understanding.

The purpose of the governance framework

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

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council 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.

In 2007 CIPFA withdrew its guidance relating to Statements on Internal Control with the publication of the joint CIPFA/SOLACE "Delivering Good Governance: Framework". This required the publication of an Annual Governance Statement rather than a Statement on Internal Control. As a result of the revised proper practice requirements, local government bodies have been required to prepare an Annual Governance Statement from 2007-08, without having previously completed a Statement on Internal Control.

Some aspects of the Statement on Internal Control are carried forward to the Annual Governance Statement. Where this is the case local government bodies will have undertaken the necessary preparatory work. Where the Annual Governance Statement provides additional requirements, the Council may not yet be in a position to fully comply. The Council's view is that it complies with the requirements of an Annual Governance Statement at the 31 March 2015.

The following paragraphs set out the key elements of the systems and processes that comprise the Council's governance arrangements. Unless otherwise indicated, the Council fully complies with the requirements of the CIPFA/ Solace framework in each section. Where full compliance is not achieved, details are included of additional measures that will be implemented to comply with the CIPFA/Solace framework.

The Governance Framework

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

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

Following the decision to delay the implementation of RPA and the election of a new Council for a 4 year term in 2011 a Corporate Plan was drafted in 2011 and adopted by the new Council after the election in May 2011. Annually a 12 month Business Plan has also been developed and approved by Full Council. The Corporate Plan and each year's Business Plan are published on the Council's website.

During 2011, as required by the then adopted Corporate Plan, cross cutting reviews of services were carried out. In addition a major strategic review of corporate governance and HR related issues was carried out by the Local Government Staff Commission. The information accessed by these exercises had been incorporated into successive annual Business Plans and delivered upon.

A review of the full business planning process was undertaken for 2014/15 including managers, SMT and the elected Members. The Business Plan was launched in April 2014.

The high level information on the Council's plans for 2014/15 was published via local newspapers, web site information and the Compass Magazine.

Monitoring of the Business Plan was undertaken via the Senior Management Team quarterly and with the full Council twice in the year. An annual report was prepared outlining progress in achieving key performance targets and presented to full Council.

The process of business planning for 2015/16 passed from Carrickfergus going forward to Mid & East Antrim. The Council provided a handover report to Mid and East Antrim in March 2015.

- **Reviewing the authority's vision for its final year and the implications for the authority's governance arrangements.**

Council's governance arrangements were reviewed and facilitation of the Reform of Local Government governance arrangements were also embedded.

A vision to leave the area with a lasting legacy was initiated in 2013/14 and delivered in 2014/15.

An annual report was prepared outlining progress in achieving key performance targets and presented to full Council.

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

The quality of service is monitored by SMT, Council sub-committees and standing committees independently and assessed by a variety of bodies across a broad range of activities e.g. The Department of the Environment, General Registrar's Office, The Yacht Harbour Association, and reported back to SMT, and Council.

Prompt Payment monitoring (as published by DoE) has shown a significant improvement in 10 days and 30 days prompt payment.

Recycling targets published by DoE. quarterly analysis have confirmed improved recycling.

Performance indicators are benchmarked against other councils. Attendance performance is monitored regularly. While the 2014/15 short term absence has reduced

compared to 2013/14 long term absence has deteriorated significantly. This has been due to an increase in the number and severity of specific long term cases.

Service standards are constantly monitored and, if deemed necessary, intervention programmes introduced to enhance customer service where evidence identifies weakness and risk.

- **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**

A reorganisation of the secretariat in 2013/14 year to facilitate a business efficiency exercise was mirrored by a rationalisation of 2 sub committees in the same period. This has improved strategic scrutiny for service delivery purposes.

Council determined in February 2015 that membership of each sub committee be extended to include all Elected Members further enhancing scrutiny and effective communication.

All policy decisions are taken by the Council after consideration by the senior management team and the appropriate committee. A number of operational matters are delegated to senior management e.g. Environmental Health Enforcement and Building Control. The Council is satisfied that the respective roles and responsibilities are understood by both Councillors and Officers (and documented via Job Descriptions) including the management team, departmental reporting structures, committee and sub committee structures and Member / Officer Codes of Conduct.

A number of Task and Finish Working Groups have been established with elected Members, Officers and representatives of statutory agencies and stakeholders to ensure there is appropriate delivery of schemes of work (capital projects). The Groups had delegated authority of Council to make decisions and progress the projects. Reporting of decision making is provided via Committee / Council meetings.

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

The Council has a number of formal policies and codes of conduct for Members and Officers. These are circulated to Members and officers on an annual basis. The behaviour, standards, and ethics expected of elected Members are outlined in the Code of Conduct for Councillors issued by the Department of the Environment (NI). A formal annual signed declaration of interests form for all Members and for appropriate officers was introduced in recent years. Annual consideration of the Code of Conduct is presented through formal Council. A new Code of Conduct was adopted by the Northern Ireland Assembly on 28 May 2014. On 2 June 2014 all Members confirmed in writing their agreement to be bound by the code. Members' attendance at meetings, financial allowances and expenses payments are published annually by the Council.

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

The Council developed a number of policies to regulate financial procedures which are regularly reviewed. Procurement, Whistleblowing and Fraud policies have all been reviewed, enhanced, consulted upon and adopted. Enhanced appraisal of capital schemes' concept has been introduced with the appointment and use of economic appraisal specialists (call off contract). There were clearly defined regulations governing capital expenditure, procurement and human resource management. These were reviewed in 2013/14 via experts in each of their fields to ensure compliance is maximized. The Council reviewed the corporate risk register in 2014/15 and has operational departmental risk registers. All Heads of Department and managers are required to submit an annual assurance statement regarding the operation of internal controls, in respect of their Department or service.

- **Financial Management process including the Estimates' process undertaken with the Estimates' Committee, supported by the Chief Executive and the Directors.**

In 2013/14 year, the Estimates' process had been further enhanced with refined profiling of annual budgetary forecasts, new regimes for monitoring the expenditure – open and transparent reporting of spend across all Directorates at monthly meetings of Standing Committees; enhanced procedures for budgetary transfers, quarterly

meetings of full Council to consider financial positions viz a viz the achievement of business plan targets and expectations and the direct link being created to the next business and financial planning cycle for Members and Officers.

This process was further developed in 2014/15 to include the necessary approval processes established in the context of RPA. Consequently Mid and East Antrim District Council were fully responsible for the Estimates process for 2015/16 and Council management cooperated fully in the wider budget setting process.

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

The core functions of an audit committee are contained within the Terms of Reference of the Corporate Governance Sub Committee constituted in 2006. The Corporate Governance Sub Committee receives internal and external audit reports and reviews financial reports, risk management issues, including health and safety status, procurement overview and staff efficiency. The Corporate Governance Sub Committee met on 5 occasions in 2014/15. The Sub Committee reports to Council by way of formal minutes of these meetings. The minutes once approved are made available to the public via the Council web site. The Sub Committee was extended from 2 February 2015 to include all Elected Members.

The Review of Corporate Governance and Internal Audit Service which was undertaken in 2010 has now had all the recommendations implemented. This has been reported to the Committee.

The Committee undertook a process to appoint a non-executive member to the Sub-Committee as per the Review recommendations. The process of appointment resulted in no candidate being appointed. After consideration, and in light of the imminent merger of councils under the local government reform programme, the committee were advised to not appoint an independent member.

In 2011/12, the Council made a decision to outsource the provision of internal audit services and after a public procurement exercise was completed, KPMG were appointed as internal auditors to Carrickfergus Borough Council in June 2012. The

new lead auditor has worked with the Chief Executive and Town Clerk and a 3 year audit plan was placed before the Corporate Governance Sub-Committee in July 2012. This plan is regularly reviewed and updated.

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

Compliance with relevant legislation, regulations and internal policies is ensured from Chief Executive and Heads of Department. Due to the complexity of certain legislation and regulation this is achieved internally via delegation to relevant officers and externally through liaison with other statutory authorities. Where required, professional advice on matters that have legal, HR or financial implications is obtained.

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

Council drew up a Guide to the Public Interest Disclosure Order (NI) 1998 covering whistle blowing in 2000. The Guide was reviewed in 2013. The Council remind staff on an annual basis of the protections available through the Order. There is also a visible guide to this on the Council website. Complaints are currently dealt with through the Chief Executive's office.

Whistle blowing complaints will be brought, in the first instance, to the attention of the Staffing Sub-Committee of Council. After investigation the details can be made known to the wider Council.

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

(i) Council considers and where appropriate approves the attendance of Members at relevant conferences and workshops.

(ii) Councillors were encouraged in 2013/14 to take up the Civic Leadership Diploma at UUJ.

(iii) Council has a policy to assist with part-time study and development for staff.

The Council, in 2012/13, undertook a Training Needs Analysis for all staff and has had the report on findings presented and accepted. Training needs identified in the plan are being delivered via a variety of mechanisms. Training is provided across a number of internal and external programmes. Staff received capacity building training in the 2014/15 year ahead of and to support the Reform of Local Government.

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

Council and Standing Committee meetings are advertised and open to the public subject to "In Committee" matters for staffing or commercially and contractually sensitive matters. Minutes are published of all Council, Committee and Sub Committee meetings via the Council web site. Periodically the Council holds open days and advertises these widely in the local press. Council retains a Good Relations Officer supported by a relevant Sub Committee as well as, a Policing and Community Safety Partnership team. The Council operates a cross departmental Web Site and Technology Group which agrees enhancements to the functionality of the web site and best use of other technology. The Council consider the web site and bi-annual magazine its 2 key platforms to inform and update all sections of the community. During 2014/15 the Council continues to use social media to enhance its communication options. Freedom of Information (FOI) requests are dealt with promptly via the Human Resource function.

In 2014/15 year, there has been extensive activity to enhance engagement with all sections of community and the new media:

- Facebook and Twitter accounts were updated constantly;
- Community engagement events to develop Community Based Plans.
- Progression of Policing and Community Safety Partnership with lay people and Councillors. It has held 3 public meetings and awarded 2 tranches of funding to community projects via wide engagement and consultations. An online survey was completed with over 400 responses from residents. A joint public consultation

with Ballymena and Larne Policing and Community Safety Partnerships was conducted;

- Business Community engagement via events;
 - Schools' engagement; including the on-going support for the Junior Mayor and Council;
 - Health provider engagement;
 - Church engagement;
 - Civic Empowerment Initiative;
 - Social Economy Initiative;
 - Cultural Engagement via summer events;
 - Sports' Engagement via capital and revenue investment in sporting facilities and on-going user group liaison to ensure expectations are met;
 - Carrickfergus Regeneration Partnership supported;
 - Whitehead Regeneration Partnership;
 - Greenisland Regeneration Initiative.
 - Northlands, Areas at Risk Project.
- **Identifies risks to the health of the organisation, its staff and customers and develops plans to protect and enhance their wellbeing.**

The council engaged with the Health and Safety Executive NI to review the causes of stress in the organisation's workforce. It also asked the Local Government Staff Commission to undertake a review of historic issues. From these studies, it developed an action plan through a newly established Health, Leisure and Wellbeing Working Group. The Council also conducted a major review of its risk assessment and related procedures in relation to Legionella and created a new policy and plan of action to address risk of this type. The Council has a full time Health and Safety Officer who has ensured regular training at management and operational levels in the organisation. Trades Union Health and Safety representatives are consulted on health and safety matters.

Health and Safety matters are now routinely reported to Corporate Governance Sub-Committee meetings.

Review of effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Internal Auditor's annual report, and also by comments made by the external auditors. The Internal Auditor normally provides an annual report on work performed in the financial year.

They were able to undertake 4 significant audits in the year to March 2015.

A business plan was developed for 2014/15 and delivery by Council against this plan monitored.

Rigorous financial monitoring regimes were introduced in 2012/13 and retained in 2014/15 to ensure enhanced transparency on spending patterns and pressures.

The final outworkings of those regimes has created very accurate financial control with spend being on target as per Estimates process.

A review of Waste Management and Cleansing was undertaken in 2012/13 with significant improvements in workflow, efficiency and recycling target being realised in 2013/14 and 2014/15.

Task and Finish Working Groups were appointed to successfully oversee the delivery of capital projects for the Council at Marine Gardens, Barnfield astroturf pitch, Eden Community Centre and Taylors Avenue stadium.

Successful engagement with GROW the Rural Development funding partnership realised significant investment for Whitehead Village and the surrounding area.

Enhanced capacity in relation to procurement has meant that all new procurements for goods and services are fully compliant. A joint Procurement initiative with Ballymena and Larne has streamlined processes. Reviewing rolling requirements is also on schedule to address areas of weakness.

In 2012, an Interim Organisational Structure was introduced due to sick absence at senior levels. Following the retirement of a number of employees under a voluntary severance scheme in 2013/14 the organisation has been further refined.

There is increased delegation of responsibility to 3rd tier officers yet effectiveness has not been detrimentally impacted.

Capacity building and effectiveness maximisation are considered to be one of the main priorities for 2014/15.

The following describes the process that has been applied in maintaining and reviewing the effectiveness of the governance framework.

The Corporate Governance Sub Committee, comprising 7 Elected Members, generally meets quarterly, or more frequently if appropriate. In 2014/15 it met 5 times (2013/14 - 4 times).

The 3 year Internal Audit Plan is a constant item on the Agenda, with the NIAO reports as a further standing item as are Health and Safety and Procurement.

In 2012 the newly devised Risk Register was developed with the facilitation of Marsh Risk Consulting. It was further refined for 2013/14 year and has been revisited several times by the Risk Review team in the year.

The Risk Register has been considered and contributed to by the Corporate Governance Sub-Committee. Departmental Risk Management is now embedded.

In the period running up to the establishment of the new Councils being created in 2015, the Council provided information to the Statutory Transition Committee of the Mid and East Antrim Cluster. In 2014 the Council signed up to a Memorandum of Understanding with Ballymena and Larne Borough Councils to facilitate a collaborative procurement project to deliver economy savings in advance of local government reform in 2015. Following the Local Council Elections in May 2014 the Council increasingly supported the Mid and East Antrim District Council operating in

shadow form up to 31 March 2015.

Resources have been established to ensure that this can be done and that quality assured information is presented.

The voluntary severance scheme which operated in 2013/14 has been completed and 11 members of staff left Council by 31 August 2013 under the scheme from a wide range of disciplines and grades. One deferred severance took effect at the end of June 2014.

An interim structure to continue to deliver the statutory business of the Council and the agreed business plan has been developed. The filling of vacancies in this structure will adhere to the vacancy controls agreed under the Local Government Reform Joint Negotiating Council.

Members and staff received development and capacity enhancement opportunities in advance of the transferring of additional functions and the creation of new Councils.

Council's Chief Executive, Director of Finance and Support Services and Internal Auditor attend each meeting of the Corporate Governance Sub Committee. The minutes are subsequently presented to the Chief Executive's Office (ie Committee) and ultimately to Council for adoption. The observations and recommendations of the Sub Committee are therefore subject to scrutiny by all Elected Members on 2 occasions as all 17 sit on the Chief Executive's Committee and full Council. Independent monitoring of management's compliance with continuous risk management and review through all Council activities is recorded by the Internal Auditor producing and maintaining Risk Reviews.

Internal Audit

During the financial year 2014/15, Internal Audit conducted 4 significant audits and 1 further assurance review, in which Council attained an overall Internal Audit Assurance of Satisfactory. One internal audit in relation to a review of Business Continuity and Disaster Recovery received an assurance level of limited. This was because existing contingency planning needed to be formalised and tested. Following this review, a number of new internal controls have been

put in place to improve assurance levels within this area.

Significant governance issues

The lack of a formal Business Continuity Plan or IT Disaster Recovery Plan which has been adopted by Council has been identified late in the financial year 2015 as an area of exposure. However significant work has been undertaken to date in the preparation of extensive draft plans in both matters.

Furthermore additional IT personnel resources have been provided and a failover site established in the Marina. It is expected Mid and East Antrim Borough Council will ensure Business Continuity Plan or IT Disaster Recovery Plan are in place.

Local Government Reform

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

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

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

Signed: Robert G. Kelly

Chairman of the Audit and Scrutiny Committee

Signed: Aime Dwyer

Chief Executive

Date: 26/10/15

Certificate of the Chief Financial Officer

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2015 on pages 24 to 111 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 28 to 54.
- (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 previously approved by resolution at a Meeting of the Mid and East Antrim Audit and Scrutiny Committee held on 29 June 2015 and were subsequently amended for the non-material items referred to in the Accounts Authorised for Issue Certificate at page 112.

.....

.....
Chairman of the Audit and Scrutiny Committee

.....
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 Carrickfergus 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 the Carrickfergus 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 the Carrickfergus Borough Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Carrickfergus 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 Carrickfergus 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 Carrickfergus 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

27 October 2015

**Carrickfergus 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 | 974,762 | 0 | 39,306 | 216,240 | 1,230,309 | 4,564,693 | 5,795,001 |
| Movement in reserves during the year | | | | | | | |
| Surplus or (deficit) on the provision of services | (2,099,242) | 0 | 0 | 0 | (2,099,242) | 0 | (2,099,242) |
| Other Comprehensive Income and Expenditure | 0 | 0 | 0 | 0 | 0 | 5,607,800 | 5,607,800 |
| Total Comprehensive Income and Expenditure | (2,099,242) | 0 | 0 | 0 | (2,099,242) | 5,607,800 | 3,508,558 |
| Adjustments between accounting basis & funding basis under regulations | 2,094,988 | 0 | 0 | 0 | 2,094,988 | (2,094,988) | 0 |
| Net Increase/Decrease before Transfers to Statutory and Other Reserves | (4,254) | 0 | 0 | 0 | (4,254) | 3,512,812 | 3,508,558 |
| Transfers to/from Statutory and Other Reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase/Decrease in Year | (4,254) | 0 | 0 | 0 | (4,254) | 3,512,812 | 3,508,558 |
| At 31 March 2014 | 970,508 | 0 | 39,306 | 216,240 | 1,226,055 | 8,077,504 | 9,303,559 |
| Movement in reserves during the year | | | | | | | |
| Surplus or (deficit) on provision of services | (784,028) | 0 | 0 | 0 | (784,028) | 0 | (784,028) |
| Other Comprehensive Income and Expenditure | 0 | 0 | 0 | 0 | 0 | 621,138 | 621,138 |
| Total Comprehensive Income and Expenditure | (784,028) | 0 | 0 | 0 | (784,028) | 621,138 | (162,890) |
| Adjustments between accounting basis & funding basis under regulations | 514,543 | 0 | 0 | 0 | 514,543 | (514,543) | 0 |
| Net Increase/Decrease before Transfers to Statutory and Other Reserves | (269,486) | 0 | 0 | 0 | (269,486) | 106,596 | (162,890) |
| Transfers to/from Statutory and Other Reserves | (173,775) | 173,775 | 0 | 0 | 0 | 0 | 0 |
| Increase/Decrease in Year | (443,261) | 173,775 | 0 | 0 | (269,486) | 106,596 | (162,890) |
| At 31 March 2015 | 527,248 | 173,775 | 39,306 | 216,240 | 956,569 | 8,184,100 | 9,140,669 |

The above statement is prepared to two decimal places but rounding due to formatting may occur

Carrickfergus 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 | Gross Expenditure £ | 2014/15 Gross Income £ | Net Cost £ | Gross Expenditure £ | 2013/14 Gross Income £ | Net Cost £ |
|---|-------------|------------------------|---------------------------------|-------------------|---------------------------|---------------------------------|--------------------|
| Services Expenditure | | | | | | | |
| Leisure and Recreational Services | | 6,683,848 | 1,865,871 | 4,817,977 | 7,961,709 | 1,809,367 | 6,152,341 |
| Environmental Services | | 5,726,609 | 857,588 | 4,869,021 | 5,646,866 | 803,170 | 4,843,696 |
| DRM and Corporate Management | | 1,822,133 | 132,672 | 1,689,461 | 1,403,691 | 33,623 | 1,370,068 |
| Other Services | | 865,442 | 395,163 | 470,279 | 1,394,069 | 576,364 | 815,704 |
| Cost of Services on Continuing Operations | 4-6 | 15,098,032 | 3,251,294 | 11,846,737 | 16,406,334 | 3,224,524 | 13,181,810 |
| Other Operating Expenditure | 7 | 0 | 9,100 | (9,180) | 36,299 | 14,041 | 22,268 |
| Financing and Investment Income and Expenditure | 8 | 1,441,389 | 88,631 | 1,352,758 | 1,379,308 | 180,869 | 1,198,439 |
| Surplus or Deficit on Discontinued Operations | | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Operating Expenditure | | 16,539,421 | 3,349,025 | 13,190,395 | 17,821,941 | 3,419,434 | 14,402,507 |
| Taxation and Non-Specific Grant Income | 9 | 0 | 12,406,367 | (12,406,367) | 0 | 12,303,265 | (12,303,265) |
| Surplus/(Deficit) on the Provision of Services | | 16,539,421 | 15,755,392 | (784,028) | 17,821,941 | 15,722,699 | (2,099,242) |
| Surplus/(Deficit) on revaluation of non-current assets | 10a/10b/10d | | | 1,910,888 | | | 7,266,800 |
| 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 | | | (1,289,750) | | | (1,659,000) |
| Other Comprehensive Income and Expenditure | | | | 621,138 | | | 5,607,800 |
| Total Comprehensive Income and Expenditure | | | | (162,890) | | | 3,608,558 |

The above statement is prepared to two decimal places but rounding due to formatting may occur

Carrickfergus 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) | | | |
| Land & Buildings | 10a/10b | 37,068,995 | 35,609,374 |
| Infrastructure Assets | 10a/10b | 2,467,315 | 2,621,290 |
| Land Awaiting Development | 10a/10b | 0 | 0 |
| Vehicles, Plant and Equipment, Furniture and IT | 10a/10b | 314,715 | 331,625 |
| Community Assets | 10a/10b | 2 | 2 |
| PP&E under Construction | 10a/10b | 222,415 | 260,889 |
| Surplus Assets | 10a/10b | 37,000 | 37,000 |
| Heritage Assets | 10d | 822,298 | 822,298 |
| Investment Properties | 10a/10b | 600,659 | 264,000 |
| Intangible Assets | 10a/10b | 0 | 0 |
| Assets Held for Sale | 10e | 0 | 0 |
| Long Term Investments | 15a | 0 | 0 |
| Investment in Associates and Joint Ventures | | 0 | 0 |
| Long Term Debtors | 14a | 707,492 | 749,449 |
| LONG TERM ASSETS | | 42,240,890 | 40,695,927 |
| Short Term Investments | 15b/24a | 0 | 0 |
| Inventories | 13 | 61,481 | 78,016 |
| Short Term Debtors | 14b | 1,068,251 | 1,579,826 |
| Cash and Cash Equivalents | 24b | 413,725 | 411,770 |
| Assets Held for Sale | 10e | 0 | 0 |
| CURRENT ASSETS | | 1,543,457 | 2,069,612 |
| Bank Overdraft | 24b | 585,803 | 890,427 |
| Short Term Borrowing | 16a | 1,041,436 | 999,737 |
| Short Term Creditors | 17a | 1,026,645 | 706,135 |
| Provisions | 18 | 85,013 | 645,207 |
| Liabilities in Disposal Groups | | 0 | 0 |
| CURRENT LIABILITIES | | 2,738,897 | 3,241,506 |
| Long Term Creditors | 17b | 0 | 0 |
| Provisions | 18 | 0 | 0 |
| Long Term Borrowing | 16b | 21,695,953 | 21,780,010 |
| Other Long Term Liabilities | 5c,20 | 10,208,827 | 8,440,463 |
| Donated Assets Account | 21 | 0 | 0 |
| Capital Grants Receipts in Advance | 22 | 0 | 0 |
| LONG TERM LIABILITIES | | 31,904,780 | 30,220,473 |
| NET ASSETS | | 9,140,669 | 9,303,559 |
| USABLE RESERVES | | | |
| Capital Receipts Reserve | 25a/25b | 216,240 | 216,240 |
| Capital Grants Unapplied Account | 25a/25b | 39,306 | 39,306 |
| Capital Fund | 25a/25b | 0 | 0 |
| Renewal and Repairs Fund | 25a/25b | 173,775 | 0 |
| Other Balances and Reserves | 25a/25b | 0 | 0 |
| General Fund | 25a/25b | 527,248 | 970,508 |
| UNUSABLE RESERVES | | | |
| Capital Adjustment Account | 25a/25b | 6,972,870 | 6,666,880 |
| Financial Instruments Adjustment Account | 25a/25b | 0 | 0 |
| Revaluation Reserve | 25a/25b | 11,532,256 | 9,899,943 |
| Available for Sale Financial Instruments Reserve | 25a/25b | 0 | 0 |
| Pensions Reserve | 25a/25b | (10,178,000) | (8,341,757) |
| Capital Receipts Deferred Account | 25a/25b | 0 | 0 |
| Accumulated Absences Account | 25a/25b | (143,026) | (147,562) |
| Landfill Regulations Reserve | 25a/25b | 0 | 0 |
| Provisions Discount Rate Reserve | 25a/25b | 0 | 0 |
| NET WORTH | | 9,140,669 | 9,303,559 |

The above statement is prepared to two decimal places but rounding due to formatting may occur

Carrickfergus 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 | | (784,028) | (2,099,242) |
| Adjustment to surplus or deficit on the provision of services for noncash movements | 24a) | 2,164,023 | 3,092,156 |
| Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities | 24a) | (121,763) | (182,939) |
| | | <hr/> | <hr/> |
| Net cash flows from operating activities | 24a) | 1,258,232 | 809,975 |
| Net Cash flows from Investing Activities | 24d) | (841,416) | (1,659,890) |
| Net Cash flows from Financing Activities | 24e) | (110,237) | 272,037 |
| Net increase or decrease in cash and cash equivalents | | 306,578 | (577,878) |
| Cash and cash equivalents at the beginning of the reporting period | 24b) | (478,657) | 99,222 |
| Cash and cash equivalents at the end of the reporting period | 24b) | <u>(172,078)</u> | <u>(478,657)</u> |

The above statement is prepared to two decimal places but rounding due to formatting may occur

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

The Council has made a provision for the estimated costs of single status and job evaluations.

iii) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 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. Bank overdrafts are shown within current liabilities on the Balance Sheet.

iv) Contingent Assets

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

v) Contingent Liabilities

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

vi) Employee Benefits

Short-term employee benefits 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 within the Comprehensive Income and Expenditure Statement 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.

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 – (where applicable) 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 – (where applicable) 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.

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

Within the Movement in Reserves Statement Appropriations

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

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

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

Discretionary Benefits

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

vii) Events After the Balance Sheet Date

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

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

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

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

viii) Exceptional Items

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

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

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

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

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

x) Financial Instruments

Most financial instruments held by Councils would fail 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 General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified into two types:

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

Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are then measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. 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 not made any 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 General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

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

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

Available-for-Sale Assets

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

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

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

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

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

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

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

Instruments Entered Into Before 1 April 2006

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

xi) Foreign Currency Translation

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

xii) Government Grants and Contributions

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

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

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

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

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

xiii) Intangible Assets

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

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

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

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

xiv) Inventories & Long Term Contracts

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

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.

xv) Investment Property

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

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

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

xvi) Landfill Allowance Schemes

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

xvii) Leases

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

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

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

The Council as Lessee

Finance Lease:

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

Lease payments are apportioned between:

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

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

The Council is not required to raise district rates to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual provision is made from revenue towards the deemed capital investment in accordance with statutory requirements. Depreciation and impairment losses are therefore replaced by a 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 council tax, 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 Trading Services line in the Comprehensive Income and Expenditure Statement, unless the rental income is associated with an investment property, in which case it is credited to Financing and Investment Income and Expenditure line. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

xviii) Disposals and Non-Current Assets Held for Sale

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

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.

There are no Assets Held for Sale which are held by the Council at 31 March 2015.

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.

xix) Overheads and Support Services

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

- Corporate and Democratic Core – costs relating to the Council's status as a multi-functional, democratic organisation.

- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and any depreciation and impairment losses chargeable on non-operational properties.

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

xx) Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (ie: repairs and maintenance) is charged as an expense when it is incurred.

The district council applies a de-minimis level to all Property, Plant and Equipment (on an individual asset basis excluding IT which are grouped), meaning only assets over the de-minimis level are capitalised. The following de-minimis capitalisation levels have been used:

| | | |
|---------------------|-------|----------------------------|
| Assets | £ | |
| Land and Buildings | 0 | |
| Vehicles, | 2,000 | |
| Plant and Equipment | 2,000 | |
| Office Equipment | 950 | |
| IT | 2,000 | (grouping of asset in use) |
| Community Assets | 0 | |
| Infrastructure | 2,000 | |

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, community assets and assets under construction – depreciated historical cost
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

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

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years by either a qualified external or internal valuer. 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:

- buildings/structures are depreciated over the estimated remaining useful life of the asset as advised by the valuer. Depending on the type of building/structure the useful life will be in the range of 10 to 54 years

- vehicles, plant and equipment – are depreciated using a variety of useful lives (3 to 5 yrs for IT equipment, 5 yrs for vehicles and 5 to 10 years for both plant/equipment and office equipment)

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

Componentisation

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

Revaluations

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

Dredging

Dredging expenditure is categorised into capital dredging and major maintenance dredging

Capital dredging is expenditure which includes creation of a new harbour or marina, deepening or extension of the harbour or marina basin in order to allow access to larger vessels and which will result in future economic benefits for the Council. This expenditure is capitalised and depreciated over the economic life of the asset.

Major maintenance dredging is expenditure incurred to restore a channel or the marina basin to its previous condition and depth. On an average, the Council incurs such expenditure every 8 years. At the completion of major maintenance dredging, the channel or marina basin has an average service potential of 8 years. Major maintenance dredging is regarded as a separate component of the asset and is capitalised and depreciated evenly over 8 years subject to the findings of hydro-graphic reports carried out over the period.

xxi) Heritage Assets

Tangible Heritage Assets (described in this summary of significant accounting policies as 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 and would be held by this authority in pursuit of our overall objectives in relation to the maintenance of heritage.

The Council's Heritage Assets are held primarily in the Council's Museum, Mayor's Parlour or other outdoor Council owned properties. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below.

Paintings and Books

The collection of paintings and books represent important aspects of the history of the local area. These items are reported in the Balance Sheet at historic cost or a professional valuation value. The paintings and books are deemed to have indeterminate lives; hence the Council does not consider it appropriate to charge depreciation.

The collection is relatively static and acquisitions and donations are rare. Where they do occur acquisitions are initially recognised at cost and donations are recognised at a nominal value.

The Council will carry out a periodic professional valuation of its painting and books if the valuation does not involve a disproportionate cost in comparison to the benefits to the users of the Council's financial statements.

Sculptures

The collection of sculptures are all relatively modern and are valued at historic cost or a professional valuation value. The assets within the collection are deemed to have indeterminate lives; hence the Council does not consider it appropriate to charge depreciation.

Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at a nominal value. The Council will carry out a periodic professional valuation of its sculptures if the valuation does not involve a disproportionate cost in comparison to the benefits to the users of the Council's financial statements.

Other Artefacts

This category includes a mixture of war memorial structures, mayoral chairs, silverware, ceremonial items, china and miscellaneous items. They are reported in the Balance Sheet at historic cost, a professional valuation value, or a nominal value, as appropriate.

Acquisitions are again initially recognised at cost or, if bequeathed or donated, at a nominal value. The Council will carry out a periodic professional valuation of its other artefacts, with the exception of the war memorial located at Marine Gardens, if the valuation does not involve a disproportionate cost in comparison to the benefits to the users of the Council's financial statements.

Heritage Assets – General

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment – see note 1A xx in this summary of significant accounting policies. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts (see notes 1A xviii and 1A xx in this summary of significant accounting policies).

xxii) Provisions

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

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

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

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

xxiii) Reserves

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

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

xxiv) Charges to Revenue for Non-Current Assets

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

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

The Council is not required to raise District Rates to cover depreciation, 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 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 a 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.

xxv) 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.

xxvi) 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.

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

- There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

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

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

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

i) Provisions

The Council has made a provision of £85,013 for the settlement of claims for back pay arising from the Equal Pay initiative, based on the offer from Council. This is subject to further review and agreement.

ii) 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. Further detail can be obtained from Note 20.

**Carrickfergus 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.

There were no differences between items included in the Comprehensive Income and Expenditure Statement and amounts reported in the Service Income and Expenditure Segmental 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 | 387,226 | 14,472 | 372,753 |
| Recreation and Sport | 4,055,471 | 956,635 | 3,098,836 |
| Tourism | 975,535 | 448,185 | 527,350 |
| Community Services | 1,265,616 | 446,579 | 819,038 |
| Leisure and Recreational Services | 6,683,848 | 1,865,871 | 4,817,977 |
| Cemetery, Cremation and Mortuary | 206,992 | 106,119 | 100,873 |
| Environmental Health | 674,386 | 96,625 | 577,762 |
| Flood Defence and Land Drainage | 0 | 0 | 0 |
| Public Conveniences | 131,381 | 877 | 130,504 |
| Licensing | 88,976 | 17,493 | 71,483 |
| Other Cleaning | 876,844 | 3,650 | 873,194 |
| Waste Collection | 1,530,074 | 200,810 | 1,329,264 |
| Waste Disposal | 1,762,036 | 184,454 | 1,577,582 |
| Building Control | 324,538 | 245,931 | 78,606 |
| Other Community Assets | 13,597 | 1,629 | 11,968 |
| Minor Works | 117,786 | 0 | 117,786 |
| Environmental Services | 5,726,609 | 857,588 | 4,869,021 |
| Democratic Representation and Management | 1,138,803 | 108,721 | 1,030,082 |
| Corporate Management | 683,330 | 23,952 | 659,379 |
| DRM and Corporate Management | 1,822,133 | 132,672 | 1,689,461 |
| Economic Development | 492,879 | 123,643 | 369,236 |
| Trading Services | 0 | 21,524 | (21,524) |
| Non Distributed Costs | 96,479 | 2,500 | 93,979 |
| Central Services to the Public | 276,085 | 247,496 | 28,588 |
| Other Services | 865,442 | 395,163 | 470,279 |
| CONTINUING OPERATIONS | 15,098,032 | 3,251,294 | 11,846,737 |

**Carrickfergus 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 | | 11,846,737 |
| <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 | |
| | | <u>0</u> |
| Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement | | 11,846,737 |
| <i>Items included in Net Operating Expenditure excluded from Service Analysis:</i> | | |
| Other Operating Expenditure | (9,100) | |
| Financing and Investment Income and Expenditure | 1,352,758 | |
| Surplus or Deficit on Discontinued Operations | 0 | |
| | | <u>1,343,658</u> |
| Net Operating Expenditure per the Comprehensive Income and Expenditure Statement | | <u>13,190,395</u> |

**Carrickfergus 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.

There were no differences between items included in the Comprehensive Income and Expenditure Statement and amounts reported in the Service Income and Expenditure Segmental 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 | Gross Income | Net Expenditure/(Income) |
| | £ | £ | £ |
| Culture and Heritage | 501,054 | 13,499 | 487,555 |
| Recreation and Sport | 4,136,660 | 975,673 | 3,160,986 |
| Tourism | 2,101,992 | 419,548 | 1,682,444 |
| Community Services | 1,222,002 | 400,647 | 821,355 |
| Leisure and Recreational Services | 7,961,709 | 1,809,367 | 6,152,341 |
| Cemetery, Cremation and Mortuary | 244,388 | 118,733 | 125,655 |
| Environmental Health | 770,670 | 121,921 | 648,749 |
| Flood Defence and Land Drainage | 0 | 0 | 0 |
| Public Conveniences | 133,088 | 5,974 | 127,114 |
| Licensing | 55,737 | 14,411 | 41,326 |
| Other Cleaning | 873,016 | 785 | 872,231 |
| Waste Collection | 1,522,728 | 184,796 | 1,337,932 |
| Waste Disposal | 1,600,495 | 186,203 | 1,414,293 |
| Building Control | 346,241 | 170,138 | 176,103 |
| Other Community Assets | 11,253 | 2 | 11,252 |
| Minor Works | 89,249 | 207 | 89,042 |
| Environmental Services | 5,646,866 | 803,170 | 4,843,696 |
| Democratic Representation and Management | 789,190 | 19,443 | 769,747 |
| Corporate Management | 614,502 | 14,180 | 600,322 |
| DRM and Corporate Management | 1,403,691 | 33,623 | 1,370,068 |
| Economic Development | 617,458 | 308,130 | 309,328 |
| Trading Services | 0 | 19,742 | (19,742) |
| Non Distributed Costs | 505,494 | 0 | 505,494 |
| Central Services to the Public | 271,117 | 250,492 | 20,625 |
| Other Services | 1,394,069 | 578,364 | 815,704 |
| CONTINUING OPERATIONS | 16,406,334 | 3,224,524 | 13,181,810 |

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 | | 13,181,810 |
| Items excluded from Service Analysis: | | |
| 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 | |
| | | <u>0</u> |
| Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement | | 13,181,810 |
| Items included in Net Operating Expenditure excluded from Service Analysis: | | |
| Other Operating Expenditure | 22,258 | |
| Financing and Investment Income and Expenditure | 1,198,439 | |
| Surplus or Deficit on Discontinued Operations | 0 | |
| | | <u>1,220,697</u> |
| Net Operating Expenditure per the Comprehensive Income and Expenditure Statement | | 14,402,507 |

**Carrickfergus 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 | 0 | | 0 | |
| Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services | 10a/b & 10d/e | 14,234 | | 1,443,505 | |
| Depreciation charged in the year on non-current assets | 10a/10b,25 | 1,355,559 | 1,369,793 | 1,351,368 | 2,794,873 |
| Net Revenue expenditure funded from capital under statute | 11,25 | | 286,661 | | 0 |
| Carrying amount of non current assets sold | 10a/b & 10d/e | 0 | | 36,299 | |
| Proceeds from the sale of PP&E, investment property and intangible assets | 7,8,25 | (9,100) | (9,100) | (14,041) | 22,258 |
| 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 | | 1,443,000 | | 1,539,000 |
| Direct revenue financing of Capital Expenditure | 11,25 | | (447,823) | | (51,948) |
| Capital Grants and Donated Assets Receivable and Applied in year | 9b | | (112,663) | | (168,898) |
| Capital Grants Receivable and Unapplied in year | 9c | | 0 | | 0 |
| Rates Claw-Back Reserve | | | 0 | | 0 |
| Adjustments in relation to Short-term compensated absences | 25a/25b | | (4,536) | | 23,942 |
| 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 | | (1,114,283) | | (1,030,638) |
| Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners | 20 | | (896,507) | | (1,033,600) |
| | | | 514,543 | | 2,094,988 |

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 | 0 | 0 | 0 | 0 |
| Renewal and Repairs Fund | | | | | |
| Interest | | 0 | | 0 | |
| Other | 25a/25b | (173,775) | (173,775) | 0 | 0 |
| Other Funds and earmarked reserves | | | | | |
| Interest | | 0 | | 0 | |
| Other | 25a/25b | 0 | 0 | 0 | 0 |
| | | | (173,775) | | 0 |

**Carrickfergus 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 £23,738 for 2014/15 (£22,994 in 2013/14).

The Actual expenditure during 2014/15 amounted to £2,463, (£2,380 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 | 18,000 | 16,500 |
| Grant Claim Certification Fees | 1,000 | 1,000 |
| Other Fees | 1,173 | 500 |
| | 20,173 | 18,000 |

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).

**Carrickfergus 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 a number of finance leases. However the present value of the lease payments receivable under these arrangements is not material.

5b Operating Leases (Council as lessor)

The Council, in accordance with its statutory and discretionary responsibilities, leases out a small number of pieces of land

- 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 £41,926 (previous year: £37,646).

The lease contracts are all non-cancellable and do not include an extension option. The lease terms are between 5 and 125 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 | 39,786 | 0 | 39,786 | 0 |
| Later than 1 year and no later than 5 years | 119,644 | 0 | 130,519 | 0 |
| Later than 5 years | 2,329,758 | 0 | 2,358,669 | 0 |
| | 2,489,188 | 0 | 2,528,974 | 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 | 554,000 | 0 | 317,795 | 0 |
| Accumulated depreciation and impairments at 1 April | 0 | 0 | 0 | 0 |
| Depreciation charge for the year | 0 | 0 | 0 | 0 |
| Impairments/Revaluation losses | 0 | 0 | 0 | 0 |
| Revaluation Gains | 336,659 | 0 | 236,205 | 0 |
| | 890,659 | 0 | 554,000 | 0 |

Council as Lessee:

5c Finance Leases (Council as lessee)

Some of the Council's vehicles are held under finance leases. The net carrying amount of the vehicles held under finance lease arrangements is £36,347 (2013/14 £122,289). The assets are included under Vehicles, Plant & Equipment which form an integral part of property, plant and equipment (see Note 10c-leased assets). The rentals paid for vehicles/plant held under finance leases totalled £128,551 (2013/14 £159,182).

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

Future minimum finance lease payments at the end of each reporting period under review are as follows:

| | Within 1 year | 1 to 5 years | After 5 years | Total |
|--------------------------|----------------|----------------|---------------|----------------|
| | £ | £ | £ | £ |
| 2014/15 | | | | |
| Finance leases payments | 77,366 | 34,990 | 0 | 112,356 |
| Less: finance charges | (9,487) | (4,163) | 0 | (13,650) |
| Net present value | 67,879 | 30,827 | 0 | 98,707 |
| 2013/14 | | | | |
| Finance leases payments | 128,551 | 112,356 | 0 | 240,907 |
| Less: finance charges | (15,662) | (13,650) | 0 | (29,311) |
| Net present value | 112,889 | 98,707 | 0 | 211,595 |
| 2012/13 | | | | |
| Finance leases payments | 159,182 | 240,907 | 0 | 400,089 |
| Less: finance charges | (20,143) | (29,311) | 0 | (49,454) |
| Net present value | 139,040 | 211,595 | 0 | 350,635 |

Included in the Balance Sheet as:

| | 2015 | 2014 | 2013 |
|-----------------------|---------------|----------------|----------------|
| | £ | £ | £ |
| Current liabilities | 67,879 | 112,889 | 139,040 |
| Long term liabilities | 30,827 | 98,707 | 211,595 |
| | 98,707 | 211,595 | 350,635 |

5d **Operating Leases (Council as lessee)**

The Council leases part of the sea bed under operating lease agreements. These leases, entered into as a result of marina development cost the Council £29,146 per annum.

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 | 49,426 | 0 | 48,676 | 0 |
| Contingent rentals | 0 | 0 | 0 | 0 |
| Less: Sublease payments receivable | 0 | 0 | 0 | 0 |
| | 49,426 | 0 | 48,676 | 0 |

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 | 49,426 | 0 | 48,676 | 0 |
| Later than 1 year and no later than 5 years | 157,424 | 0 | 174,704 | 0 |
| Later than 5 years | 1,502,552 | 0 | 1,527,948 | 0 |
| | 1,709,402 | 0 | 1,751,328 | 0 |

**Carrickfergus 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 | 5,199,174 | 5,321,685 |
| Employers National Insurance | 361,824 | 338,627 |
| Employers pension costs | 896,507 | 1,033,600 |
| Total | 6,457,505 | 6,693,911 |

In addition, agency costs during the year amounted to £725,287 (2013/14 £488,355).

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 | 80 | 81 |
| Leisure services | 76 | 75 |
| Other | 30 | 30 |
| Total Number | 186 | 186 |
| | | |
| | Actual Numbers | Actual Numbers |
| Full-time numbers employed | 155 | 161 |
| Part-time numbers employed | 50 | 46 |
| Total Number | 205 | 207 |

6c Senior Employees' Remuneration (excluding arrears and redundancy)

| | 2014/15 | 2013/14 |
|---------------------|----------|----------|
| £50,001 to £60,000 | 1 | 0 |
| £60,001 to £70,000 | 2 | 2 |
| £70,001 to £80,000 | 0 | 0 |
| £80,001 to £90,000 | 1 | 1 |
| Total Number | 4 | 3 |

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 £261,847 (2013/14 £243,871) and are as follows:

| | 2014/15 | 2013/14 |
|---|----------------|----------------|
| | £ | £ |
| Salaries | 0 | 0 |
| Basic allowance | 140,372 | 160,064 |
| Mayor's & Deputy Mayor's Allowance | 4,852 | 5,176 |
| Special Responsibility Allowances | 13,012 | 12,941 |
| Dependents' carers allowance | 0 | 0 |
| Statutory Transition Committee Allowances | 2,250 | 9,000 |
| Employer costs | 20,978 | 26,661 |
| Mileage | 4,188 | 7,165 |
| Conferences and Courses | 470 | 160 |
| Travel & Subsistence Costs | 1,490 | 1,693 |
| Miscellaneous Costs | 1,835 | 3,211 |
| Severance Payments * | 72,400 | 17,800 |
| Total | 261,847 | 243,871 |

* 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.

**Carrickfergus 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 | 0 | 0 | 0 | 3 | 0 | 3 | 0 | 34,632 |
| £20,001 to £40,000 | 0 | 0 | 0 | 2 | 0 | 2 | 0 | 52,615 |
| £40,001 to £60,000 | 0 | 0 | 0 | 5 | 0 | 5 | 0 | 233,494 |
| £60,001 to £80,000 | 0 | 0 | 1 | 1 | 1 | 1 | 61,067 | 73,598 |
| £80,001 to £100,000 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 87,322 |
| £100,001 to £150,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 1 | 12 | 1 | 12 | 61,067 | 481,660 |

**Carrickfergus 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 | (9,100) | 22,258 |
| Other Operating Income/Expenditure | 0 | 0 |
| Total Other Operating expenditure | (9,100) | 22,258 |

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 | 1,086,445 | 34,707 | 1,051,738 | 1,102,959 | 39,168 | 1,063,791 |
| Interest and Investment Income | 0 | 4,330 | (4,330) | 0 | 7,646 | (7,646) |
| Net interest on the net defined benefit liability (asset) | 337,000 | 0 | 337,000 | 259,000 | 0 | 259,000 |
| Surplus/(Deficit) on trading operations | 5,501 | 11,486 | (5,985) | 5,158 | 10,758 | (5,599) |
| Changes in Fair Value of Investment Properties | 0 | 18,008 | (18,008) | 0 | 104,197 | (104,197) |
| Other investment income | 12,443 | 20,100 | (7,657) | 12,191 | 19,100 | (6,909) |
| | 1,441,389 | 88,631 | 1,352,758 | 1,379,308 | 180,869 | 1,198,439 |

**Carrickfergus Borough Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

9 Taxation and Non-Specific Grant Income

9a Revenue Grants

| | 2014/15 | 2013/14 |
|---------|---------|---------|
| | £ | £ |
| General | 936,230 | 957,873 |
| Other | 0 | 0 |
| Other | 0 | 0 |
| Other | 0 | 0 |
| | 936,230 | 957,873 |

9b Capital Grants and Donated Assets-Applied

| | 2014/15 | 2013/14 |
|--|---------|---------|
| | £ | £ |
| Government & Other Grants-Conditions met and applied in year | 112,663 | 168,898 |
| Government & Other Grants-Transfer from receipts in advance | 0 | 0 |
| Donated Assets-Conditions met | 0 | 0 |
| Donated Assets-Transfer from donated assets creditor | 0 | 0 |
| | 112,663 | 168,898 |

9c Capital Grants-Unapplied

| | 2014/15 | 2013/14 |
|--|---------|---------|
| | £ | £ |
| Government & Other Grants-Conditions met and not applied in year | 0 | 0 |
| Other | 0 | 0 |
| | 0 | 0 |

9d District Rates

| | 2014/15 | 2013/14 |
|------------------------------|------------|------------|
| | £ | £ |
| Current year | 11,608,109 | 11,450,510 |
| Finalisation - previous year | (267,755) | (541,771) |
| Transitional Relief | 0 | 0 |
| Finalisation - other years | 17,120 | 267,755 |
| | 11,357,474 | 11,176,494 |

Summary of Taxation and Non-Specific Grant Income:

| | 2014/15 | 2013/14 |
|---|-------------------|-------------------|
| | £ | £ |
| District Rates Income | 11,357,474 | 11,176,494 |
| Revenue Grants | 936,230 | 957,873 |
| Capital Grants and Contributions | 112,663 | 168,898 |
| Total Taxation and Non-Specific Grant Income | 12,406,367 | 12,303,265 |

Carrickfergus Borough Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

10a Long-Term Assets Note - Current Year

| | Property, Plant & Equipment (PP&E) | | | | | | | | | | TOTAL | |
|--|------------------------------------|------------|-----------------------|---------------------------|---|------------------|-------------------------|----------------|------------|-----------------------|-------|-------------------|
| | Land | Buildings | Infrastructure Assets | Land Awaiting Development | Vehicles, Plant & Equipment, Furniture and IT | Community Assets | PP&E Under Construction | Surplus Assets | Total PP&E | Investment Properties | | Intangible Assets |
| £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | |
| Cost or Valuation At 1 April 2014 | 6,638,450 | 29,882,097 | 4,247,237 | 0 | 3,785,855 | 2 | 260,889 | 37,000 | 44,961,530 | 264,000 | 0 | 45,115,530 |
| Adjustments between cost/value & depreciation/impairment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted opening balance | 6,638,450 | 29,882,097 | 4,247,237 | 0 | 3,785,855 | 2 | 260,889 | 37,000 | 44,961,530 | 264,000 | 0 | 45,115,530 |
| Additions (Note 11) | 0 | 318,537 | 0 | 0 | 195,281 | 0 | 532,028 | 0 | 1,045,825 | 0 | 0 | 1,045,825 |
| Donations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluation increases/decreases to Revaluation Reserve | 0 | 1,020,917 | 0 | 0 | 0 | 0 | 0 | 0 | 1,020,917 | 0 | 0 | 1,020,917 |
| Revaluation increases/decreases to Surplus or Deficit on the Provision of Services | 0 | (40,792) | 0 | 0 | 0 | 0 | 0 | 0 | (40,792) | 18,008 | 0 | (22,784) |
| Derecognition - Disposals | 0 | 0 | 0 | 0 | (129,144) | 0 | 0 | 0 | (129,144) | 0 | 0 | (129,144) |
| Derecognition - Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reclassifications - Other | 0 | 251,851 | 0 | 0 | 0 | 0 | (570,502) | 0 | (318,651) | 318,651 | 0 | (0) |
| Adjustment-Landfill Deferred Charge (Note 16) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31 March 2015 | 6,638,450 | 31,432,611 | 4,247,237 | 0 | 3,851,972 | 2 | 222,415 | 37,000 | 48,429,886 | 600,659 | 0 | 47,030,345 |
| Depreciation and Impairment At 1 April 2014 | 0 | 911,173 | 1,625,947 | 0 | 3,454,231 | 0 | 0 | 0 | 5,991,350 | 0 | 0 | 5,991,350 |
| Adjustments between cost/value & depreciation/impairment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted opening balance | 0 | 911,173 | 1,625,947 | 0 | 3,454,231 | 0 | 0 | 0 | 5,991,350 | 0 | 0 | 5,991,350 |
| Depreciation Charge | 0 | 989,414 | 153,975 | 0 | 212,170 | 0 | 0 | 0 | 1,355,559 | 0 | 0 | 1,355,559 |
| Depreciation written out on Revaluation Reserve | 0 | (899,971) | 0 | 0 | 0 | 0 | 0 | 0 | (899,971) | 0 | 0 | (899,971) |
| Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services | 0 | (8,550) | 0 | 0 | 0 | 0 | 0 | 0 | (8,550) | 0 | 0 | (8,550) |
| Impairment losses/reversals to Revaluation Reserve | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment losses/reversals to Surplus or Deficit on the Provision of Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Derecognition - Disposals | 0 | 0 | 0 | 0 | (129,144) | 0 | 0 | 0 | (129,144) | 0 | 0 | (129,144) |
| Derecognition - Other | 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 |
| Eliminated on reclassification to Held for Sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31 March 2015 | 0 | 1,002,066 | 1,779,922 | 0 | 3,537,237 | 0 | 222,415 | 37,000 | 6,319,245 | 600,659 | 0 | 6,319,245 |
| Net Book Value At 31 March 2015 | 6,638,450 | 30,430,545 | 2,467,315 | 0 | 314,716 | 2 | 222,415 | 37,000 | 40,110,441 | 600,659 | 0 | 40,711,100 |
| At 31 March 2014 | 6,638,450 | 28,970,924 | 2,621,290 | 0 | 331,625 | 2 | 260,889 | 37,000 | 38,850,180 | 264,000 | 0 | 39,124,180 |

Intangible Assets
Carrickfergus Borough Council does not hold any Intangible Assets at the Balance Sheet date.

Investment properties
Additions in the year of £318,651 are included in the amounts in relation to one asset which had opening work in progress at 01 April 2014 and was revalued by Land & Property Services at 31 March 2015, resulting in a revaluation upward of £18,008.

Reclassifications & Transfers includes £570,502 transferred from Assets under Construction during the year.
Valuations
A valuation of freehold and leasehold properties was carried out as at 01 April 2013 by an independent valuer from Land and Property Services. In addition, a Land and Property Services Asset Indices report at 31 March 2015 was applied to assets previously valued at 01 April 2013. In addition, five assets were valued by Land and Property Services at 31 March 2015, where significant additions or changes occurred during the financial year. Please refer to note 1A(x) for further information on revaluation and depreciation.

Effects of Changes in Estimates
No changes in estimates for the carrying amounts of Property, Plant and Equipment are applicable in the period.
Revaluation Losses
The following material revaluation losses were recognised during the period as a result of Land and Property Services Asset valuation at 31 March 2015. A total revaluation loss of £67,667 was recorded; £32,242 of which was recognised in the Comprehensive Income & Expenditure Statement (CIES) and £35,425 of which was recognised in the Revaluation Reserve. A breakdown of these revaluation losses by asset type is given below.

| | Total | RR | C.I.E.S |
|-----------|---------------|---------------|---------------|
| Buildings | 67,667 | 35,425 | 32,242 |
| Total | <u>67,667</u> | <u>35,425</u> | <u>32,242</u> |

Revaluation Gains
The following material revaluation gains were recognised during the period as a result of Land and Property Services Asset valuations at 01 April 2013, Asset Indices at 31 March 2015 and Land and Property Services Asset valuations at 31 March 2015. A total revaluation gain of £1,964,321 was recorded; £18,008.04 of which was recognised in the Comprehensive Income & Expenditure Statement (CIES) and £1,946,313 of which was recognised in the Revaluation Reserve. A breakdown of these revaluation gains by asset type is given below.

| | Total | RR | C.I.E.S |
|-----------------------|------------------|------------------|---------------|
| Buildings | 1,946,313 | 1,946,313 | |
| Investment Properties | 18,008 | | 18,008 |
| Total | <u>1,964,321</u> | <u>1,946,313</u> | <u>18,008</u> |

Carrickfergus Borough Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

10b Long-Term Assets Note - Comparative Year

| | Property, Plant & Equipment (PP&E) | | | | | | | | | | TOTAL | |
|--|------------------------------------|-------------|-----------------------|---------------------------|---|------------------|-------------------------|----------------|-------------|-----------------------|-------|-------------------|
| | Land | Buildings | Infrastructure Assets | Land Awaiting Development | Property, Plant & Equipment (Vehicles, Plant & Equipment, Furniture and IT) | Community Assets | PP&E Under Construction | Surplus Assets | Total PP&E | Investment Properties | | Intangible Assets |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Cost or Valuation At 1 April 2013 | 5,947,213 | 23,593,494 | 4,247,237 | 427,690 | 3,966,181 | 2 | 870,598 | 19,958 | 39,062,364 | 159,803 | 0 | 39,222,167 |
| Adjustments between cost/value & depreciation/impairment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted opening balance | 5,947,213 | 23,593,494 | 4,247,237 | 427,690 | 3,966,181 | 2 | 870,598 | 19,958 | 39,062,364 | 159,803 | 0 | 39,222,167 |
| Additions (Note 11) | 22,000 | 100,928 | 0 | 0 | 128,698 | 0 | 1,361,480 | 0 | 1,611,086 | 0 | 0 | 1,611,086 |
| Donations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluation increases/decreases to Revaluation Reserve | 438,826 | 6,369,871 | 0 | 0 | 0 | 0 | 0 | 17,042 | 6,825,738 | 0 | 0 | 6,825,738 |
| Revaluation increases/decreases to Surplus or Deficit on the Provision of Services | (197,269) | (2,092,415) | 0 | 0 | 0 | 0 | 0 | 0 | (2,289,684) | 104,197 | 0 | (2,185,487) |
| Derecognition - Disposals | 0 | (50,950) | 0 | 0 | (307,024) | 0 | 0 | 0 | (357,974) | 0 | 0 | (357,974) |
| Derecognition - Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reclassifications & Transfers | 427,680 | 1,971,169 | 0 | (427,680) | 0 | 0 | (1,971,169) | 0 | (0) | 0 | 0 | (0) |
| Adjustment-Landfill Deferred Charge (Note 15) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31 March 2014 | 6,636,450 | 29,882,097 | 4,247,237 | 0 | 3,785,855 | 2 | 260,889 | 37,000 | 44,851,530 | 264,000 | 0 | 45,115,530 |
| Depreciation and Impairment At 1 April 2013 | 0 | 1,197,695 | 1,471,971 | 0 | 3,475,036 | 0 | 0 | 0 | 6,144,702 | 0 | 0 | 6,144,702 |
| Adjustments between cost/value & depreciation/impairment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted opening balance | 0 | 1,197,695 | 1,471,971 | 0 | 3,475,036 | 0 | 0 | 0 | 6,144,702 | 0 | 0 | 6,144,702 |
| Depreciation Charge | 0 | 911,173 | 153,975 | 0 | 286,219 | 0 | 0 | 0 | 1,351,368 | 0 | 0 | 1,351,368 |
| Depreciation written out on Revaluation Reserve | 0 | (441,062) | 0 | 0 | 0 | 0 | 0 | 0 | (441,062) | 0 | 0 | (441,062) |
| Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services | 0 | (741,982) | 0 | 0 | 0 | 0 | 0 | 0 | (741,982) | 0 | 0 | (741,982) |
| Impairment losses/reversals to Revaluation Reserve | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment losses/reversals to Surplus or Deficit on the Provision of Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Derecognition - Disposals | 0 | (14,651) | 0 | 0 | (307,024) | 0 | 0 | 0 | (321,675) | 0 | 0 | (321,675) |
| Derecognition - Other | 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 |
| Eliminated on reclassification to Held for Sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| At 31 March 2014 | 0 | 911,173 | 1,625,947 | 0 | 3,454,231 | 0 | 0 | 0 | 5,991,350 | 0 | 0 | 5,991,350 |
| Net Book Value At 31 March 2014 | 6,636,450 | 28,970,924 | 2,621,290 | 0 | 331,625 | 2 | 260,889 | 37,000 | 36,860,180 | 264,000 | 0 | 39,124,180 |
| At 31 March 2013 | 5,947,213 | 22,395,799 | 2,775,266 | 427,690 | 491,145 | 2 | 870,598 | 19,958 | 32,917,662 | 159,803 | 0 | 33,077,465 |

Intangible Assets
Carrickfergus Borough Council does not hold any Intangible Assets at the Balance Sheet date.

Investment properties
There has been no additions to Investment Properties during the year.

Reclassifications & Transfers includes the following: £1,971,169 transferred from Assets under Construction during the year and £427,680 transferred from Land Awaiting Development to Operational Land during 2013/2014.

Valuations

A valuation of freehold and leasehold properties was carried out as at 01 April 2013 by an independent valuer from Land and Property Services. In addition, a Land and Property Services Asset Indices report at 31 March 2014 was applied to all assets previously valued at 01 April 2013. Please refer to note 1A(xx) for further information on revaluation and depreciation.

Effects of Changes in Estimates

No changes in estimates for the carrying amounts of Property, Plant and Equipment are applicable in the period.

Revaluation Losses

The following material revaluation losses were recognised during the period as a result of Land and Property Services Asset valuation at 01 April 2013. Total Assets - a total revaluation loss of £2,472,134 was recorded; £1,547,702 of which was recognised in the Comprehensive Income & Expenditure Statement (CIES) and £924,432 of which was recognised in the Revaluation Reserve. A breakdown of these revaluation losses by asset type is given below.

| | Total | R.R | C I E S |
|---------------------------|------------------|----------------|------------------|
| Revaluation Losses | | | |
| Land | 888,926 | 701,657 | 197,269 |
| Buildings | 1,573,209 | 222,776 | 1,350,433 |
| Surplus Assets | 0 | | |
| Land Awaiting Development | 0 | | |
| Investment Properties | 0 | | |
| Total | 2,472,134 | 924,432 | 1,547,702 |

Revaluation Gains

The following material revaluation gains were recognised during the period as a result of Land and Property Services Asset valuations at 01 April 2013 and Asset Indices at 31 March 2014. Total Assets - a total revaluation gain of £8,295,429 was recorded; £104,197 of which was recognised in the Comprehensive Income & Expenditure Statement (CIES) and £8,191,233 of which was recognised in the Revaluation Reserve. A breakdown of these revaluation gains by asset type is given below.

| | Total | R.R | C I E S |
|---------------------------|------------------|------------------|----------------|
| Revaluation Gains | | | |
| Land | 1,140,482 | 1,140,482 | |
| Buildings | 7,033,709 | 7,033,709 | |
| Surplus Assets | 17,042 | 17,042 | |
| Land Awaiting Development | 0 | | |
| Investment Properties | 104,197 | | 104,197 |
| Total | 8,295,429 | 8,191,233 | 104,197 |

**Carrickfergus Borough Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

**10c Long-Term Assets - Leased Assets
At 31 March 2015**

| <u>LEASED ASSETS (included within vehicles, plant and equipment)</u> | Vehicles £ | Equipment £ | TOTAL £ |
|--|---------------|----------------|------------|
| Cost or Valuation | | | |
| At 1 April 2014 | 1,305,461 | 209,168 | 1,514,629 |
| Additions | 0 | 0 | 0 |
| Disposals | (32,619) | 0 | (32,619) |
| At 31 March 2015 | 1,272,842 | 209,168 | 1,482,010 |
| Depreciation | | | |
| At 1 April 2014 | 1,183,172 | 199,403 | 1,382,575 |
| Disposals | (32,619) | 0 | (32,619) |
| Provided for year | 85,942 | 5,485 | 91,427 |
| At 31 March 2015 | 1,236,495 | 204,888 | 1,441,383 |
| Net Book Value | | | |
| At 31 March 2015 | 36,347 | 4,280 | 40,627 |
| At 31 March 2014 | 122,289 | 9,765 | 132,054 |

Comparative Year

| <u>LEASED ASSETS (included within vehicles, plant and equipment)</u> | Vehicles £ | Equipment £ | TOTAL £ |
|--|---------------|----------------|------------|
| Cost or Valuation | | | |
| At 1 April 2013 | 1,331,086 | 209,168 | 1,540,254 |
| Additions | 0 | 0 | 0 |
| Disposals | (25,625) | 0 | (25,625) |
| At 31 March 2014 | 1,305,461 | 209,168 | 1,514,629 |
| Depreciation | | | |
| At 1 April 2013 | 1,096,892 | 191,428 | 1,288,320 |
| Disposals | (25,625) | 0 | (25,625) |
| Provided for year | 111,905 | 7,975 | 119,880 |
| At 31 March 2014 | 1,183,172 | 199,403 | 1,382,575 |
| Net Book Value | | | |
| At 31 March 2014 | 122,289 | 9,765 | 132,054 |
| At 31 March 2013 | 234,194 | 17,740 | 251,934 |

**Carrickfergus Borough Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

10d Heritage Assets

| Cost or Valuation | Paintings | Sculptures | Other | Total |
|---|----------------|---------------|----------------|----------------|
| | and Books £ | £ | Artefacts £ | Assets £ |
| At 1 April 2013 | 215,449 | 65,599 | 541,250 | 822,298 |
| 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 | 215,449 | 65,599 | 541,250 | 822,298 |
| Cost or Valuation | | | | |
| At 1 April 2014 | 215,449 | 65,599 | 541,250 | 822,298 |
| 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 | 215,449 | 65,599 | 541,250 | 822,298 |

Valuations

A comprehensive valuation of Historic Assets was carried out by a professional valuer in January 2013, which covered the vast majority of Historic Assets. A relatively small number of more recently purchased Heritage Assets (purchased between 2002 and 2008) are reported at historic cost. The Council has two war memorials; one is reported above at a nominal value of £1. The second war memorial which is regarded as an operational asset is valued annually as part of land and buildings operational assets, the details of this are disclosed separately below.

Books and Paintings

The Council's collection of paintings and books represent important aspects of the history of the local area and is reported in the Balance Sheet either at a valuation cost provided by professional valuers in January 2013, or at historic cost. Five items are reported under this category at historic cost totalling £3,999, these items are relatively recent acquisitions, purchased between 2002 and 2008. This category of historic assets include paintings by Stannus, Webb, Wilkes and Balfour of landscapes of the locality and an atlas attributed to Governor Richard Kane.

Sculptures

There are a total of four sculptures in the collection, three of which are all relatively modern and are valued at historic cost. The remaining sculpture has been valued in January 2013.

Other Artefacts

The collection of other items include a mixture of war memorial structures, mayoral chains, silverware, ceremonial items, costumes, Charters, Seals, china and miscellaneous items. Of the reported value of £541,250 for this category, assets with a value of £539,766 reflect a professional valuation figure at January 2013. Six items purchased since 2002, are reported at historic cost and have a total value of £1,483. One historic monument is reported with a nominal value of £1.

Additions in 2014/2015 of Heritage Assets

There have been no additions to Heritage Assets during the period to 31 March 2015

Disposals in 2014/2015 of Heritage Assets include:

There have been no disposals of Heritage Assets during the period to 31 March 2015

Property Plant & Equipment - Operational Heritage Asset

Knockagh War Memorial, is included within operational land and buildings in Note 10a. The Knockagh War Memorial asset was re-valued at 01 April 2013. A Land and Property Services Asset Indices report at 31 March 2015 was applied to freehold and leasehold properties valued at 01 April 2013 by an independent valuer from Land and Property Services. Please refer to note 1A(xx) for further information on revaluation and depreciation policies. There was no Land revaluation gain/loss recorded in the period. A Building revaluation gain of £3,889 was recorded in the period and recognised in the revaluation reserve. Current valuation details for this asset are given below.

| | Total | 31/3/15 Revaluation Reserve | C.I.E.S. |
|---|--------------|-----------------------------------|----------|
| | £ | £ | £ |
| Revaluation Gains 14/15 | | | |
| Land Revaluation Gain Recognised | 0 | 0 | |
| Building Revaluation Gain Recognised in the Revaluation Reserve | 3,889 | 3,889 | |
| Operational Heritage Asset - Movement | <u>3,889</u> | <u>3,889</u> | <u>0</u> |

| | 31/3/15 Current Cost | 31/3/15 Revaluation Reserve |
|---|----------------------------|-----------------------------------|
| | N.B.V. £ | £ |
| Operational Heritage Asset included Property, Plant and Equipment | | |
| Knockagh War Memorial | | |
| Land | 20,000 | 6,635 |
| Buildings | 48,459 | 12,594 |
| Total | <u>68,459</u> | <u>19,229</u> |

**Carrickfergus Borough Council
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10e Assets Held for Sale

| At 31 March 2015 | Assets Held for Sale-Current | Assets Held for Sale-Non-current | TOTAL |
|--|-------------------------------------|---|--------------|
| | £ | | £ |
| Cost or Valuation | | | |
| At 1 April 2014 | 0 | 0 | 0 |
| Transferred from Non-Current Assets during year | 0 | 0 | 0 |
| Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services | 0 | 0 | 0 |
| Derecognition - Disposals | 0 | 0 | 0 |
| Derecognition - Other | 0 | 0 | 0 |
| Reclassified from Current Assets Held for Sale to non current Assets Held for Sale | 0 | 0 | 0 |
| Transferred to Property, Plant & Equipment during year | 0 | 0 | 0 |
| At 31 March 2015 | 0 | 0 | 0 |
| Impairment | | | |
| At 1 April 2014 | 0 | 0 | 0 |
| Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services | 0 | 0 | 0 |
| Derecognition - Disposals | 0 | 0 | 0 |
| Derecognition - Other | 0 | 0 | 0 |
| Reclassified from Current Assets Held for Sale to non current Assets Held for Sale | 0 | 0 | 0 |
| Transferred to Property, Plant & Equipment during year | 0 | 0 | 0 |
| At 31 March 2015 | 0 | 0 | 0 |
| Net Book Value | | | |
| At 31 March 2015 | 0 | 0 | 0 |
| At 31 March 2014 | 0 | 0 | 0 |

The gain/loss on assets classified to held for sale and sold during the year was £0 (2013/14 £0)

Comparative Year

| At 31 March 2014 | Assets Held for Sale-Current | Assets Held for Sale-Non-current | TOTAL |
|--|-------------------------------------|---|--------------|
| | £ | | £ |
| Cost or Valuation | | | |
| At 1 April 2013 | 0 | 0 | 0 |
| Transferred from Non-Current Assets during year | 0 | 0 | 0 |
| Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services | 0 | 0 | 0 |
| Derecognition - Disposals | 0 | 0 | 0 |
| Derecognition - Other | 0 | 0 | 0 |
| Transferred to to Property, Plant & Equipment during year | 0 | 0 | 0 |
| At 31 March 2014 | 0 | 0 | 0 |
| Impairment | | | |
| At 1 April 2013 | 0 | 0 | 0 |
| Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services | 0 | 0 | 0 |
| Derecognition - Disposals | 0 | 0 | 0 |
| Derecognition - Other | 0 | 0 | 0 |
| Transferred to to Property, Plant & Equipment during year | 0 | 0 | 0 |
| At 31 March 2014 | 0 | 0 | 0 |
| Net Book Value | | | |
| At 31 March 2014 | 0 | 0 | 0 |
| At 31 March 2013 | 0 | 0 | 0 |

**Carrickfergus Borough Council
Notes to the Financial Statements
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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 | 20,100 | 19,100 |
| Direct operating expenses arising from investment property | (12,443) | (12,191) |
| Fair Value Change | 18,008 | 104,197 |
| Net gain/(loss) | 25,665 | 111,106 |

**Carrickfergus Borough Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

11 Capital Expenditure and Capital Financing

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

| | 2014/15 | 2013/14 |
|---|-------------------|-------------------|
| | £ | £ |
| Opening Capital Financing Requirement | 23,379,654 | 23,034,093 |
| <i>Capital Investment</i> | | |
| Property, Plant and Equipment | 1,045,825 | 1,611,086 |
| Investment Properties | 0 | 0 |
| Intangible Assets | 0 | 0 |
| Revenue Expenditure Funded from Capital under Statute | 286,661 | 0 |
| <i>Sources of Finance</i> | | |
| Capital Receipts | (9,100) | (14,041) |
| Government Grants and Other Contributions | (112,663) | (168,898) |
| Transfers from Earmarked Reserves | 0 | 0 |
| <i>Sums set aside from Revenue:</i> | | |
| Direct Revenue Contributions | (447,823) | (51,948) |
| Minimum Revenue Provision | (1,114,283) | (1,030,638) |
| Closing Capital Financing Requirement | 23,028,271 | 23,379,654 |

| Explanation of Movements in Year | | |
|---|------------------|----------------|
| Increase in underlying need to borrow | (238,494) | 484,601 |
| Assets acquired under finance leases | (112,889) | (139,040) |
| Assets acquired under PFI/PPP contracts | 0 | 0 |
| Increase/(decrease) in Capital Financing Requirement | (351,383) | 345,562 |

**Carrickfergus 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 | 818,000 | 0 | 818,000 |
| Other Commitments | 1,383,713 | 0 | 1,383,713 |
| Total | 2,201,713 | 0 | 2,201,713 |

13 Inventories

| | 2014/15 | 2013/14 |
|----------------|---------------|---------------|
| | £ | £ |
| Central Stores | 36,176 | 48,819 |
| Other | 25,305 | 29,197 |
| Total | 61,481 | 78,016 |

**Carrickfergus Borough Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

14 Debtors

| | 2014/15 | 2013/14 |
|---------------------------------------|------------------|------------------|
| | £ | £ |
| 14a Long Term Debtors | | |
| Government Departments | 0 | 0 |
| Other Councils | 0 | 0 |
| Public corporations and trading funds | 0 | 0 |
| Bodies external to general government | 0 | 0 |
| Employee car loans | 4,747 | 13,537 |
| Grants | 0 | 0 |
| Loans and advances | 0 | 0 |
| Finance lease debtors-Note 5c) | 0 | 0 |
| Trade receivables | 0 | 0 |
| *NIHE Loans | 702,745 | 735,912 |
| Other | 0 | 0 |
| Impairment of loans and receivables | 0 | 0 |
| Total Long-Term Debtors | 707,492 | 749,449 |
| 14b Short Term Debtors | | |
| Government Departments | 36,490 | 269,333 |
| Other Councils | 7,901 | 4,335 |
| Public corporations and trading funds | 0 | 0 |
| Bodies external to general government | 0 | 0 |
| Employee car loans | 7,957 | 15,551 |
| Grants | 430,972 | 700,664 |
| Value Added Tax | 379,144 | 374,573 |
| Prepayments | 22,383 | 37,780 |
| Finance lease debtors-Note 5c) | 0 | 0 |
| Other | 1,381 | 463 |
| Trade receivables | 183,627 | 181,172 |
| Impairment loss - Trade receivables | (1,602) | (4,043) |
| Total Short-Term Debtors | 1,068,251 | 1,579,826 |
| Total Debtors | 1,775,743 | 2,329,276 |

Included in debtors figures are amounts outstanding in respect of capital grant income. These account for £22,488 of the total debtors for 2014/2015 and £177,386 of the total debtors for 2013/2014.

* Northern Ireland Housing Executive-Following the reorganisation of NI Local Government 42 years ago housing stock previously held by the Councils transferred to the NIHE. Councils continued to administer the debt raised to finance those assets and to recover the annual repayments of principal and interest from the Executive. Principal recovered from the NIHE over future years will be credited to Loans Recoverable until the outstanding balance has been fully redeemed. During 2014/2015 the Housing Executive repaid £33,167 of principal and £34,707 of interest.

**Carrickfergus Borough Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

15a Long-Term Investments

| | 2014/15 | 2013/14 |
|------------------------------------|----------|----------|
| | £ | £ |
| Investments - general | 0 | 0 |
| Investments - repairs and renewals | 0 | 0 |
| Investments - capital fund | 0 | 0 |
| Investments - other | 0 | 0 |
| Total Long-term Investments | 0 | 0 |

Analysed over:

| | 2014/15 | 2013/14 |
|------------------------------------|----------|----------|
| | £ | £ |
| Money market deposits | 0 | 0 |
| Other deposits | 0 | 0 |
| Total Long-term Investments | 0 | 0 |

15b Short-Term Investments

| | 2014/15 | 2013/14 |
|-------------------------------------|----------|----------|
| | £ | £ |
| Investments - general | 0 | 0 |
| Investments - repairs and renewals | 0 | 0 |
| Investments - capital fund | 0 | 0 |
| Investments - other | 0 | 0 |
| Total Short-term Investments | 0 | 0 |

Analysed over:

| | 2014/15 | 2013/14 |
|-------------------------------------|----------|----------|
| | £ | £ |
| Money market deposits | 0 | 0 |
| Other deposits | 0 | 0 |
| Total Short-term Investments | 0 | 0 |

Total Long Term and Short-term Investments 0 0

The Council has a short term investment which now appears as Cash and Cash Equivalents in the Balance Sheet as it matures in 3 months or less from the Balance Sheet date. The investment totals £413,725, of which £216,240 is identified with the Capital Receipts Reserve and £173,775 with the Repairs and Renewal Fund.

**Carrickfergus 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 | 973,557 | 886,848 |
| Finance Lease Principal | 67,879 | 112,889 |
| Total Short Term Borrowing | 1,041,436 | 999,737 |

16b Long Term Borrowing

| | 2014/15 | 2013/14 |
|--|------------|------------|
| | £ | £ |
| Between 1 and 2 years | 1,955,306 | 1,898,879 |
| Between 2 and 5 years | 3,249,132 | 2,882,664 |
| Between 5 and 10 years | 5,335,274 | 5,090,162 |
| In more than 10 years | 11,156,242 | 11,908,306 |
| Government Loans Fund and Money Market Loans | 21,695,953 | 21,780,010 |

| | | |
|------------------------|-------------------|-------------------|
| Total Borrowing | 22,737,389 | 22,779,747 |
|------------------------|-------------------|-------------------|

Whilst the money market loans of £917,000 are theoretically agreed for 1 year or less they have been accounted for as due over 1 year since they have been rolled over annually without any demand for repayment by bank. The Council is now repaying principal on commercial bank loans and during the year 2014/2015 repaid £76,000.

Interest rates on Government Loans range between 1.53% and 9.75%.

17a Short Term Creditors

| | 2014/15 | 2013/14 |
|---------------------------------------|------------------|----------------|
| | £ | £ |
| Government Departments | 20,275 | 19,755 |
| Other Councils | 307,558 | 13,552 |
| Public corporations and trading funds | 0 | 0 |
| Bodies external to general government | 0 | 0 |
| Rates clawback | 0 | 0 |
| Remuneration due to employees | 34,334 | 0 |
| Accumulated Absences | 143,026 | 147,562 |
| Receipts in advance | 0 | 86,298 |
| Trade creditors | 353,483 | 267,964 |
| Other (Loan Interest) | 167,968 | 171,005 |
| Total Short Term Creditors | 1,026,645 | 706,135 |

17b Long Term Creditors

| | 2014/15 | 2013/14 |
|---|----------|----------|
| | £ | £ |
| Other creditors falling due after more than one year | | |
| Government Departments | 0 | 0 |
| Other Councils | 0 | 0 |
| Public corporations and trading funds | 0 | 0 |
| Bodies external to general government | 0 | 0 |
| Rates clawback | 0 | 0 |
| Other | 0 | 0 |
| Total Long Term Creditors | 0 | 0 |

| | | |
|------------------------|------------------|----------------|
| Total Creditors | 1,026,645 | 706,135 |
|------------------------|------------------|----------------|

**Carrickfergus Borough Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

18 Provisions

| | At 1 April 2014 | Movement in provision during year | Utilised during year | Unused amounts reversed | Interest cost and/or discount rate changes | At 31 March 2015 |
|-------------------|--------------------|---|-------------------------|-------------------------------|---|---------------------|
| | £ | £ | £ | £ | £ | £ |
| Single status | 56,417 | 11,462 | 67,879 | 0 | 0 | (0) |
| Election expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| Landfill closure | 0 | 0 | 0 | 0 | 0 | 0 |
| Reorganisation | 588,790 | 17,120 | 520,897 | 0 | 0 | 85,013 |
| Claims management | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| | 645,207 | 28,582 | 588,776 | 0 | 0 | 85,013 |

| | | | | | | |
|-----------------------------|----------------|---------------|----------------|----------|----------|---------------|
| Current Provisions | 645,207 | 28,582 | 588,776 | 0 | 0 | 85,013 |
| Long Term Provisions | 0 | 0 | 0 | 0 | 0 | 0 |
| | 645,207 | 28,582 | 588,776 | 0 | 0 | 85,013 |

Comparative Year

| | At 1 April 2013 | Movement in provision during year | Utilised during year | Unused amounts reversed | Interest cost and/or discount rate changes | At 31 March 2014 |
|-------------------|--------------------|---|-------------------------|-------------------------------|---|---------------------|
| | £ | £ | £ | £ | £ | £ |
| Single status | 73,584 | (17,167) | 0 | 0 | 0 | 56,417 |
| Election expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| Landfill closure | 0 | 0 | 0 | 0 | 0 | 0 |
| Reorganisation | 831,898 | 189,734 | 432,842 | 0 | 0 | 588,790 |
| Claims management | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| | 905,482 | 172,567 | 432,842 | 0 | 0 | 645,207 |

| | | | | | | |
|-----------------------------|----------------|----------------|----------------|----------|----------|----------------|
| Current Provisions | 905,482 | 172,567 | 432,842 | 0 | 0 | 645,207 |
| Long Term Provisions | 0 | 0 | 0 | 0 | 0 | 0 |
| | 905,482 | 172,567 | 432,842 | 0 | 0 | 645,207 |

Provisions-Additional Disclosure

The provision above relates to the estimated cost of Council's obligations to its employees under the National Agreement on Pay and Conditions of Service ("the Green Book") which the Council expects to finalise in 2015/2016. The majority of those obligations under the Green Book have been determined and agreed. Agreement has been reached on staged payment of back pay awards which have been provided for above and which will conclude in 2015/2016. The ultimate cost is subject to a number of unknown factors, such as the outcome of approximately 5 outstanding job evaluation appeals and hence the final actual cost may vary.

**Carrickfergus Borough Council
Notes to the Financial Statements
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19 Financial Instruments

Carrickfergus Borough 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 by taking into account their past experience and Council officers who provide credit bookings must consult with an unpaid debtors listing before affording services on credit. The provision for bad and doubtful debts reflects the Council's assessment of the risk of non-payment by trade receivables 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 | £125,002 |
| Three to six months | £16,200 |
| Six months to one year | £23,461 |
| More than one year | £18,964 |
| | £183,627 |

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 5, 16 and 17. 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. However the exposure on borrowings is considerably reduced as, with the exception of £917,000, all loans have fixed interest rates, most of which are at relatively low rates of interest.

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 £29,655,773, analysed as follows.

| | £ |
|------------------|-------------------|
| Government Loans | 28,736,712 |
| Market Loans | 919,061 |
| Total | 29,655,773 |

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

**Carrickfergus 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 | | 1,085,000 | 1,093,000 |
| Past service cost/(gain) | | 21,000 | 187,000 |
| Gains and losses on settlements or curtailments | | 0 | 0 |
| Net operating expenditure: | | | |
| Net Interest on net defined benefit Liability (asset) | | 337,000 | 259,000 |
| Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services | | 1,443,000 | 1,539,000 |
| Movement in Reserves Statement: | | | |
| Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code | | (1,443,000) | (1,539,000) |
| Actual amount charged against the general fund balance for pensions in the year: | | | |
| Employers' contributions payable to scheme | | 896,507 | 1,033,600 |
| Net charge to the Comprehensive Income and Expenditure Statement | | (546,493) | (505,400) |

The service cost figures include an allowance for administration expenses of £13,000.

Remeasurements recognised in Other Comprehensive Income and Expenditure

| | Note | 2014/15 | 2013/14 |
|--|------|--------------------|--------------------|
| Liability gains/(losses) due to change in assumptions | | (3,576,000) | 1,140,000 |
| Liability experience gains/(losses) arising in the year | | 124,000 | (3,307,000) |
| Actuarial gains/(losses) on plan assets | | 2,083,000 | 508,000 |
| Other | | 79,250 | |
| Total gains/(losses) recognised in Other Comprehensive Income and Expenditure | | (1,289,750) | (1,659,000) |

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 | | 31,805,410 | 28,053,638 |
| Current service cost | | 1,085,000 | 1,093,000 |
| Interest cost | | 1,355,000 | 1,269,000 |
| Contributions by members | | 277,000 | 271,000 |
| Remeasurement (gains) and losses: | | | |
| - Actuarial gains/losses arising on liabilities from experience | | (124,000) | 3,307,000 |
| - Actuarial gains/losses arising from demographic changes | | 0 | (978,000) |
| - Actuarial gains/losses arising from changes in financial assumptions | | 3,576,000 | (162,000) |
| - Other (if applicable) | | | |
| Past service costs/(gains) | | 21,000 | 187,000 |
| Losses/(gains) on curtailments | | 0 | 0 |
| Liabilities extinguished on settlements | | 0 | 0 |
| Estimated unfunded benefits paid | | (21,410) | (20,228) |
| Estimated benefits paid | | (875,000) | (1,215,000) |
| | | | |
| Balance as at 31 March | | 37,099,000 | 31,805,410 |

Reconciliation of present value of the scheme assets:

| | Note | 2014/15 | 2013/14 |
|---|------|-------------------|-------------------|
| | | £ | £ |
| Balance as at 1 April | | 23,463,653 | 21,876,281 |
| Interest Income | | 1,018,000 | 1,010,000 |
| Contributions by members | | 277,000 | 271,000 |
| Contributions by employer | | 954,347 | 1,013,372 |
| Contributions in respect of unfunded benefits | | 21,410 | 20,228 |
| Remeasurement gain/(loss) | | 2,083,000 | 508,000 |
| Assets distributed on settlements | | 0 | 0 |
| Unfunded benefits paid | | (21,410) | (20,228) |
| Benefits paid | | (875,000) | (1,215,000) |
| | | | |
| Balance as at 31 March | | 26,921,000 | 23,463,653 |

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

Fair Value of Plan Assets

| | 31/03/2015 | 31/03/2014 |
|--------------------|-------------------|-------------------|
| | £ | £ |
| Equity investments | 19,652,330 | 17,410,031 |
| Bonds | 3,284,362 | 2,815,638 |
| Property | 3,392,046 | 2,627,929 |
| Cash/Other | 592,262 | 610,055 |
| | 26,921,000 | 23,463,653 |

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 £0.

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

| | 31/03/2015 | 31/03/2014 |
|--|---------------------|--------------------|
| | £ | £ |
| Fair Value of Employer Assets | 26,921,000 | 23,463,653 |
| Present value of funded defined benefit obligation | (36,702,000) | (31,425,410) |
| Pension asset/(liability) of Funded Scheme | (9,781,000) | (7,961,757) |
| Present Value of unfunded defined benefit obligation | (397,000) | (380,000) |
| Other movement in the liability (asset) (if applicable) | 0 | 0 |
| Net asset/(liability) arising from the defined benefit obligation | (10,178,000) | (8,341,757) |
| <i>Amount in the Balance sheet:</i> | | |
| Liabilities | (10,178,000) | (8,341,757) |
| Assets | 0 | 0 |
| Net Asset/(Liability) | (10,178,000) | (8,341,757) |

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £37,099,000 has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in a net liability of £10,178,000.

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 |
|---|------------------|
| | £ |
| Projected current cost | 1,167,000 |
| Net Interest on the net defined benefit liability (asset) | 311,000 |
| Past service cost | 0 |
| Gains and losses on settlements or curtailments | 0 |
| | 1,478,000 |

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the council in the year to 31 March 2016 is £928,000.

20d 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, 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 | 27.0 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 | 0% | n/a |

20e 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 | 35,997,000 | 37,420,000 |
| % change in the present value of the total obligation | -1.90% | 2.00% |
| Projected service cost | 1,131,000 | 1,204,000 |
| Approximate % change in projected service cost | -3.10% | 3.20% |
| 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 | 36,975,000 | 36,432,000 |
| % change in the present value of the total obligation | 0.70% | -0.70% |
| Projected service cost | 1,167,000 | 1,167,000 |
| 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 | 37,194,000 | 36,216,000 |
| % change in the present value of the total obligation | 1.30% | -1.30% |
| Projected service cost | 1,204,000 | 1,131,000 |
| Approximate % change in projected service cost | 3.20% | -3.10% |
| Post Retirement Mortality Assumption | | |
| Adjustment to the mortality age rating assumption * | -1 Year | +1 Year |
| Present value of the total obligation | 37,691,000 | 35,712,000 |
| % change in the present value of the total obligation | 2.70% | -2.70% |
| Projected service cost | 1,206,000 | 1,128,000 |
| 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.

20f 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 |
|--------------------|--------------|--------------|
| | % | % |
| Equity investments | 73.0 | 74.2 |
| Bonds | 12.2 | 12.0 |
| Property | 12.6 | 11.2 |
| Cash/Other | 2.2 | 2.6 |
| | 100.0 | 100.0 |

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21 Donated Assets Account

| | Note | 2014/15 | 2013/14 |
|---|------|----------|----------|
| | | £ | £ |
| Opening balance | | 0 | 0 |
| Add: new donated assets received (condition of use not met) | | 0 | 0 |
| Less: amounts released to the District Fund - Comprehensive Income and Expenditure Account (conditions met) | | 0 | 0 |
| | | 0 | 0 |

Analysis of Donated Assets Account

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

| | Note | 2014/15 | 2013/14 |
|-------------------------------|------|----------|----------|
| | | £ | £ |
| Donated Assets Account | | | |
| Donation A | | 0 | 0 |
| Donation B | | 0 | 0 |
| Donation C | | 0 | 0 |
| | | 0 | 0 |

22 Capital Grants Received in Advance

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

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 A | | 0 | 0 |
| Grant B | | 0 | 0 |
| Grant C | | 0 | 0 |
| | | 0 | 0 |

23 Contingencies

The arc21 Joint Committee has, with the approval of their Participant Councils, entered into a Contingent Liability Undertaking with the bidding consortium in the procurement for the Residual Waste Treatment Project and Carrickfergus Borough Council has agreed its share of the contingent liability. Payments made, if any, in accordance with this undertaking will be funded by the Participant Councils. No further information on this agreement can be disclosed due to the commercial sensitivity of the procurement process.

**Carrickfergus 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

| | Notes | 2014/15 £ | 2013/14 £ |
|--|-------|-------------------------|-------------------------|
| Adjustment to surplus or deficit on the provision of services for noncash movements | | | |
| Depreciation | 3 | 1,355,559 | 1,351,368 |
| Impairment & downward revaluations (& non-sale derecognitions) | 3 | 14,234 | 1,443,505 |
| (Increase)/Decrease in Stock | | 16,535 | (3,692) |
| (Increase)/Decrease in Debtors | | 408,426 | 39,409 |
| Increase/(decrease) in impairment provision for bad debts | | (2,441) | (9,935) |
| Increase/(Decrease) in Creditors | | 389,798 | (10,743) |
| Increase/(Decrease) in Interest Creditors/Debtors | | (4,387) | 819 |
| Payments to NILGOSC | 3 | 546,493 | 505,400 |
| Carrying amount of non-current assets sold | 3 | 0 | 36,299 |
| AUC written off to Net Cost of Services | | 0 | 0 |
| Contributions to Other Reserves/Provisions | | (560,194) | (260,275) |
| Amounts posted to CIES from Donated Assets Account | 21 | 0 | 0 |
| | | <u>2,164,023</u> | <u>3,092,156</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 | 3 | (9,100) | (14,041) |
| Capital grants included in "Taxation & non-specific grant income" | | (112,663) | (168,898) |
| | | <u>(121,763)</u> | <u>(182,939)</u> |

Carrickfergus
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 | 0 | 0 |
| Short Term Investments (considered to be Cash Equivalents) | 413,725 | 411,770 | 749,321 |
| Short Term Deposits (considered to be Cash Equivalents) | 0 | 0 | 0 |
| Bank Overdraft | (585,803) | (890,427) | (650,100) |
| | <u>(172,078)</u> | <u>(478,657)</u> | <u>99,222</u> |

24c Cash Flow Statement-Operating Activities

| | 2014/15 | 2013/14 |
|--|------------------|------------------|
| | £ | £ |
| <i>The cash flows from operating activities include:</i> | | |
| Interest received | <u>2,980</u> | <u>13,613</u> |
| Interest paid | <u>1,054,775</u> | <u>1,068,939</u> |

**Carrickfergus
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 | 1,112,077 | 1,770,550 |
| Purchase of Short Term Investments (not considered to be cash equivalents) | 0 | 0 |
| 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 | (9,100) | (14,041) |
| 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 | (261,560) | (96,619) |
| Other Receipts from Investing Activities | 0 | 0 |
| Net Cash flows from Investing Activities | <u>841,416</u> | <u>1,659,890</u> |

24e Cash flows from Financing Activities

| | 2014/15 £ | 2013/14 £ |
|---|-------------------------|-----------------------|
| Cash Receipts from Short and Long Term Borrowing | 965,500 | 1,300,500 |
| 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 | (112,889) | (139,040) |
| Repayment of Short and Long Term Borrowing | (962,848) | (889,424) |
| Other payments for Financing Activities | 0 | 0 |
| Net Cash flows from Financing Activities | <u>(110,237)</u> | <u>272,037</u> |

Carrickfergus 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 Receipts Reserve | Capital Grants Unapplied Account | Capital Fund | Renewal & Repairs Fund | Other General Fund Balances and Reserves | General Fund | Capital Adjustment Account | Financial Instruments Adjustment Account | Revaluation Reserve | Reserve Sale Instruments Reserve | Provisions Discount Rate Reserve | Landfill Regulations Reserve | | | | Deferred Capital Receipts Account | Accumulated Abuses Account |
| At 1 April 2014 | 216,240 | 39,306 | 0 | 0 | 0 | 970,508 | 6,666,880 | 0 | 9,899,943 | 0 | (8,341,757) | 0 | 0 | (147,562) | 0 | 0 | 9,303,559 |
| Movements during the year: | | | | | | | | | | | | | | | | | |
| Applied Capital Grants | | | | | (112,663) | | 112,663 | | | | | | | | | | 112,663 |
| Unapplied Capital Grants received in year | | 0 | | | 0 | | 0 | | | | | | | | | | 0 |
| Unapplied Capital Grants transferred to CAA in year | | 0 | | | 0 | | 0 | | | | | | | | | | 0 |
| Direct Revenue Financing | | | | | (447,823) | | 447,823 | | | | | | | | | | 447,823 |
| Depreciation & Impairment adjustment | | | | | 1,369,793 | | (1,369,793) | | | | | | | | | | (1,369,793) |
| Statutory Provision for financing Capital Investment | | | | | (1,114,283) | | 1,114,283 | | | | | | | | | | 1,114,283 |
| Net Revenue expenditure funded from capital under statute | | | | | 286,661 | | (286,661) | | | | | | | | | | (286,661) |
| Surplus/(Deficit) on the Provision of Services | | | | | (784,028) | | 784,028 | | | | | | | | | | (784,028) |
| Transfers between Statutory and Other Reserves and the General Fund | | | 0 | 173,775 | 0 | (173,775) | | | | | | | | | | | 0 |
| Net movements on Pension Reserve | | | | | 548,493 | | (548,493) | | | | | | | | | | (548,493) |
| Deposital of Fixed Assets/Capital Sales | 9,100 | | | | (9,100) | | 0 | | | | | | | | | | 0 |
| Capital Receipts used to finance capital expenditure | (9,100) | | | | 0 | | 9,100 | | | | | | | | | | 0 |
| Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements | 0 | | | | (4,536) | | 4,536 | | | | | | 4,536 | | | | 0 |
| Revaluation & Impairment | | | | | 0 | | 0 | | 1,910,868 | | (1,269,750) | | | | | | 621,138 |
| Other Movements | | | | | 0 | | 0 | | (278,575) | | 0 | | | | | | 0 |
| Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure | | | 0 | 0 | 0 | | 278,575 | | | | | | | | | | 0 |
| Total movements on reserves during the year (Change in Net Worth) | 0 | 0 | 0 | 173,775 | 0 | (443,201) | 303,990 | 0 | 1,632,314 | 0 | (1,636,243) | 0 | 0 | 4,536 | 0 | 0 | 106,596 |
| At 31 March 2015 | 216,240 | 39,306 | 0 | 173,775 | 0 | 527,248 | 6,972,870 | 0 | 11,532,256 | 0 | (10,178,000) | 0 | 0 | (143,026) | 0 | 0 | 8,184,100 |

Carrickfergus Borough Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

25b Analysis of Movement on Reserves - Comparative Year

| | USABLE RESERVES | | | | UNUSABLE RESERVES | | | | | | | | | | TOTAL AUTHORITY RESERVES | | |
|---|--------------------------|----------------------------------|---------------------------|-----------------------------|-------------------|-----------------------|----------------------------|--|---------------------|--|------------------|-----------------------------------|------------------------------|-----------------------------------|--------------------------|------------------------------|-------------------------|
| | Capital Receipts Reserve | Capital Grants Unapplied Account | Capital Fund Repairs Fund | Other Balances and Reserves | General Fund | TOTAL USABLE RESERVES | Capital Adjustment Account | Financial Instruments Adjustment Account | Revaluation Reserve | Available for Sale Financial Instruments Reserve | Pensions Reserve | Deferred Capital Receipts Account | Accumulated Absences Account | Provisional Discount Rate Reserve | | Landfill Regulations Reserve | TOTAL UNUSABLE RESERVES |
| At 1 April 2013 | 216,240 | 39,300 | 0 | 0 | 874,782 | 1,230,300 | 8,013,259 | 0 | 2,852,411 | 0 | (6,177,357) | 0 | (121,620) | 0 | 0 | 4,544,893 | 5,785,001 |
| Movements during the year: | | | | | | | | | | | | | | | | | |
| Applied Capital Grants | | 3,19 | | | (168,896) | (168,896) | 168,898 | | | | | | | | | 168,898 | 0 |
| Unapplied Capital Grants received in year | | 9 | | | 0 | 0 | 0 | | | | | | | | | 0 | 0 |
| Unapplied Capital Grants transferred to CMA in year | | | | | 0 | 0 | 0 | | | | | | | | | 0 | 0 |
| Direct Revenue Financing | | 3,11 | | | (51,948) | (51,948) | 51,948 | | | | | | | | | 51,948 | 0 |
| Depreciation & Impairment adjustment | | 3 | | | 2,794,873 | 2,794,873 | (2,794,873) | | | | | | | | | (2,794,873) | 0 |
| Statutory Provision for financing Capital Investment | | 3 | | | (1,030,638) | (1,030,638) | 1,030,638 | | | | | | | | | 1,030,638 | 0 |
| Net Revenue expenditure funded from capital under statute | | 3,11 | | | 0 | 0 | 0 | | | | | | | | | 0 | 0 |
| Surplus/(Deficit) on the Provision of Services | | | | | (2,098,242) | (2,098,242) | 0 | | | | | | | | | 0 | (2,098,242) |
| Transfers between Statutory and Other Reserves and the General Fund | | 3 | | | 0 | 0 | 0 | | | | | | | | | 0 | 0 |
| Net movements on Pension Reserves | | 3,20 | | | 555,400 | 555,400 | (36,296) | | | | (505,600) | | | | | (505,600) | 0 |
| Disposal of Fixed Assets/Capital Sales | | 3,10 | | | 22,258 | 22,258 | 0 | | | | | | | | | 0 | 0 |
| Capital Receipts used to finance capital expenditure | | 3,11 | | | (14,041) | (14,041) | 14,041 | | | | | | | | | 14,041 | 0 |
| Differences between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements | | 10,20 | | | 23,942 | 23,942 | 0 | | 7,286,800 | 0 | (1,659,000) | | (721,942) | | | (23,942) | 0 |
| Revaluation & Impairment | | | | | 0 | 0 | 219,258 | | (219,258) | | | | | | | 0 | 0 |
| Other Movements | | | | | 0 | 0 | 0 | | | | | | | | | 0 | 0 |
| Transfers from Capital Fund/Repair Fund & CAA to finance capital expenditure | | 11 | | | 0 | 0 | 0 | | | | | | | | | 0 | 0 |
| Total movements on reserves during the year (Change in Net Worth) | | | | | (4,254) | (4,254) | (1,348,378) | 0 | 7,947,632 | 0 | (2,194,600) | 0 | (23,942) | 0 | 0 | 3,512,812 | 2,008,569 |
| At 31 March 2014 | 218,240 | 39,106 | 0 | 0 | 870,508 | 1,226,055 | 6,664,881 | 0 | 9,899,843 | 0 | (8,341,757) | 0 | (187,587) | 0 | 0 | 8,077,506 | 9,303,569 |

**Carrickfergus 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

The Council currently does not operate a capital fund

26d Renewal and Repairs Fund

This fund was established under section 56 of the Local Government Act (NI) 1972, however this section was repealed under the Local Government Finance Act (Northern Ireland) 2011. This Council continues to maintain this reserve for potential repairs and renewals.

26e Other Balances & Reserves

The Council currently does not operate any other balances and reserves

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.

Carrickfergus 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 and gains recognised on donated assets that have yet to be consumed by the Council.

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

26h Financial Instruments Adjustment Account

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

26i 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 in the Comprehensive Income and Expenditure Statement) 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.

26j Available-for-Sale Financial Instruments Adjustment Reserve

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

26k Pension Reserve

Refer to note 20.

26l Deferred Capital Receipts Account

The Deferred Capital Receipts Account records capital advances receivable where an amount equal to the advance is included as a deferred capital receipt. These amounts are written down each year by the amount of capital debt repaid to the Council in that year.

26m 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

26n Provisions Discount Rate Reserve

The Provisions Discount Rate Reserve covers the arrangement, put in place by the Department under its amendment to the 2012/13 accounts direction (see DOE circular 28/2013), to allow for mitigation of the costs not allowed for by Councils who had adopted the HM Treasury Central Government discount rate for long-term provisions such as Landfill costs.

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

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

26o Landfill Regulations Reserve

Additional Landfill costs that were not allowed for by councils arose from the amendment of the Landfill Regulations (NI) 2003 by the Landfill (Amendment) Regulations (NI) 2011, affecting all sites that closed after the target transposition date for the Landfill Directive (1999/31/EC).

The Department of the Environment's accounts direction provides an option to spread costs for the affected landfill sites, creating a negative reserve within the financial statements of the particular council.

The approved costs and period of time are those agreed between the council and the Department's Environment Policy Division in conjunction with the Northern Ireland Environment Agency.

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

**Carrickfergus Borough Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

27 Significant Trading Operations

The Council considers a trading operation exists where the service it provides is competitive i.e. the user always has the choice to use an alternative supplier to the Council and the Council charges the user on a basis other than a straightforward recharge of the Council's costs in supplying the service. The Council uses a variety of charging mechanisms such as quoted lump sums, fixed periodical charges or rates, or a combination of these.

In deciding whether a trading operation is significant the Council takes both financial and non-financial criteria into account.

Financial criteria taken into account in deciding whether trading operations are significant to the Council are:

- the risk of financial loss the Council may be exposed to in providing the service to the user.

Non-financial criteria taken into account in deciding whether trading operations are significant to the Council are:

- the importance of each individual trading operation to demonstrating the achievement of Council targets and improving performance.
- the exposure of the Council to service reputational loss risk by providing the service
- whether the provision of the service is likely to be of interest to the Council's key stakeholders and their needs.

In applying the aforementioned criteria, the Council considers that it is engaging in the following significant trading operations:

| | 2015 | 2015 | 2014 | 2014 |
|---------------------------------------|----------|---------------|----------|---------------|
| | £ | £ | £ | £ |
| | Turnover | Profit/(Loss) | Turnover | Profit/(Loss) |
| Significant Trading Operations | | | | |
| Museum Shop | 11,486 | 5,985 | 10,758 | 5,599 |

These significant trading operations form part of Note 8 to these financial statements.

**Carrickfergus Borough Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

28 Agency Services

This does not apply to the Council

**Carrickfergus 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 a part. A related party is one that has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes cases where the related party entity and another entity are subject to common control but excludes providers of finance in the course of their normal business with the Council and Trade Unions in the course of their normal dealings with the Council. In addition where the relationship with the Council and the entity is solely that of an Agency (see note 28) these are not deemed to be Related Party Transactions. Transactions with related parties not disclosed elsewhere in these financial statements are set out below, where a description of the nature, the amount of the transaction and the amount of the outstanding balance is as follows:

Community Associations/Other Bodies

Council paid a total of £174,451 (£176,788 for 2013/2014) in grants to 30 (22 for 2013/2014) Community Associations. Only 18 (16 for 2013/2014) of these organisations received amounts exceeding £2,000, as follows:

Whitehead Community Association £26,925 (£26,240 for 2013/2014)
Carrickfergus Citizens Advice Bureau £75,000 (£70,050 for 2013/2014)
Carrickfergus Drug and Alcohol Group £3,125 (£5,000 for 2013/2014),
Glenfield Parents and Kids Together £4,999 (£4,900 for 2013/2014),
Castlemara Residents Association £3,267 (£2,548 for 2013/2014),
CITHRAH £5,000 (£5,000 for 2013/2014)
Carrick Womens Forum £5,000 (£5,000 for 2013/14)
Carrickfergus Community Forum £5,000 (£4,479 for 2013/2014),
YMCA - Woodburn PAKT £4,947 (£3,168 for 2013/2014)
Shop Mobility £5,000 (£4,981 for 2013/2014)
Carrickfergus Neighbourhood Development Group £5,000 (£3,840 for 2013/2014)
Womens Aid £4,946 (£3,178 for 2013/2014)
Pregnancy Resource Centre £5,000 (£3,160 for 2013/2014),
Carrickfergus Cornerstone £3,597 (£2,650 for 2013/2014)
Greenisland Community Council £2,085 (£1,746 for 2013-14)
Greenisland Community Association £2,975 (£nil for 2013-14)
Third Carrick Silver Band £3,193 (£nil for 2013-14)
CWA Brass Band £3,193 (£nil for 2013/14)

An elected member is an employee of Carrickfergus Community Forum. As part of the conditions of being awarded a grant one association, Carrickfergus Citizens Advice Bureau, had elected member representation on the management committee (one for 2013/2014 : Carrickfergus Citizens Advice Bureau). In addition, grants were paid to two other associations that had elected member involvement, namely, Carrickfergus Neighbourhood Development Group and CITHRAH (two for 2013/2014 : Carrickfergus Neighbourhood Development Group, and CITHRAH). Their interest was non beneficial since their representation was not part of the conditions of Council awarding grant.

Group Committees

Carrickfergus Borough Council is part of the North Eastern Group Building Control Committee and made an annual contribution of £27,059 (£27,784 for 2013/2014) to Ballymena Borough Council in respect of the year ended 31st March 2015. An additional sum of £1,688 (£1,562 for 2013/2014) was paid to Ballymena Borough Council during the year.

Carrickfergus Borough Council is also a member of the Northern Group Systems (Environmental Health) and made an annual contribution of £41,741 (£40,457 for 2013/2014) in respect of the year ended 31st March 2015. An additional sum of £1,261 (£970 for 2013/2014) was paid to Ballymena Borough Council during the year. Two elected members are appointed every four years to sit on each of the two committees.

Legal Services

Carrickfergus Borough Council avails of the legal services provided by Belfast City Council and paid £8,535 (£12,705 for 2013/2014) for these services during the year. At 31st March 2015 the Council owed Belfast City Council £13,317 (£7,797 for 2013/2014) in unpaid fees.

Partnership Boards/Joint Committees

One officer (one for 2013/2014) and three elected members were board members of the CAN (Carrickfergus, Antrim and Newtownabbey Borough Councils) Peace 111 Partnership. Two elected members (two for 2013/2014) and no officer (none for 2013/2014) sat on the CAN Peace 111 Joint Committee which ratifies decisions of the Peace 111 Partnership. This Partnership ceased on 31 March 2015.

GROW South Antrim is a DARD funded project to administer european funding for rural development. It allocates funding under the NI Rural Development Programme. GROW is made up of two groups - a Local Action Group and a Joint Council Committee. Three elected members sit on the Joint Committee and one officer attends in an advisory role. Three elected members and two social partners sit on the Local Action Group. This project is due to finish in June 2015.

One senior officer and two elected members (one senior officer & two elected members 2013/2014) served on the board of the North East Partnership. Payments totalling £2,000 (£2,000 for 2013/2014) were made during the year.

The Council participates in COMET partnership. Under this arrangement Interreg IVA funding is available from the Special EU Programmes Body. The COMET partnership is made up of Newtownabbey, Carrickfergus, Belfast, Lisburn, Castlereagh and North Down Councils. Belfast City Council acts as the Administrative Council with full responsibility for all financial and administrative matters. Belfast City Council administers the payments and income for the COMET partnership but these transactions are not reflected in Carrickfergus Borough Council's accounts. Instead they are reflected in COMET partnership statement of accounts for the year ended 31st March 2015. These statements are prepared under the Local Government (Northern Ireland) Order 2005.

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 Regulations required each new Council area to establish a Statutory Transition Committee in accordance with this legislation. The Mid and East Antrim Statutory Transition Committee is comprised of fifteen councillors, five from each of the three councils; Ballymena Borough Council, Carrickfergus Borough Council and Larne Borough Council. For the new council, Mid and East Antrim District Council, the Mid and East Antrim Statutory Transition Committee must i) prepare a draft corporate and business plan, ii) prepare a draft budget and iii) arrange the first meeting for the new Mid and East Antrim District Council. The Mid and East Antrim Statutory Transition Committee ceased to exist on 19 June 2014 and the total expenditure for the period 1 April 2014 to 19 June 2014 was £347,974 of which the Council advanced £108,083. Ballymena Borough Council administers the payments and income for the Mid and East Antrim Statutory Transition Committee but these transactions are not reflected in Carrickfergus Borough Council's accounts. Instead they are reflected in the Mid and East Antrim statement of accounts for the year ended 31 March 2015. These statements are prepared under the Local Government (Northern Ireland) Order 2005 and subject to statutory audit by a local government auditor.

The new Councils came into existence on 26 May 2014, operating in Shadow form until they took over responsibility for local government on 1 April 2015 when the 26 existing councils cease to exist. The total expenditure for the Mid and East Antrim Shadow Council for the period 26 May 2014 to 31 March 2015 was £1,207,185 of which the Council advanced £178,578. Ballymena Borough Council administers the payments and income for the Mid and East Antrim Shadow Council but these transactions are not reflected in Carrickfergus Borough Council accounts. Instead they are reflected in the Mid and East Antrim statement of accounts for the year ended 31 March 2015. These statements are prepared under the Local Government (Northern Ireland) Order 2005 and subject to statutory audit by a local government auditor.

External Bodies

1. Carrickfergus Enterprise

Two elected members were the nominated Council members who served on the board of Carrickfergus Enterprise during the year ended 31st March 2015. In addition a further two elected members served on the board. During the financial year £46,050 (£46,050 for 2013/2014) was paid to Carrickfergus Enterprise.

2. Mid Antrim Museum Service

One elected member and one senior officer was the Council's representative on the Executive Board of the Mid Antrim Museum Service (same applies for 2013/2014). A partner contribution of £13,600 (£13,600 for 2013/2014) was paid during the year.

3. Carrickfergus Regeneration Partnership

Six elected members and six social partners served on the board of the Carrickfergus Regeneration Partnership which was established in November 2012. Payments totalling £3,470 (£10,472 for 2013/14) were made during the year.

4. Carrick Rangers Football Club

The Council charges the club an annual ground rent of £3,900 and two elected members are on the board of directors of the club, in a voluntary capacity. They do not take part in any Council meeting where the club is being discussed. The Council also hire the use of an artificial pitch from the club to run a number of sports initiatives with young people. At the year end the club was in arrears for rent and the Council also owed sums to the football club for the hire of the clubs artificial pitch. The Council and football club have signed a Service Level Agreement to manage these relationships and the Council has established a Sub Committee to oversee matters. Membership of the Sub Committee is restricted to councillors who have no interest in the football club.

Car Loans to Senior Officers

During the year, there were no (1 for 2013/2014) car loans advanced to senior council officials. The Council received repayments and interest of £7,747 (£8,774 for 2013/2014) in respect of existing car loans. The total capital amount outstanding at the end of the year in respect of senior Council officials was £4,333 (£11,636 for 2013/2014)

Other Councils

During 2014/15 the Council had expenditure of £456,775 to other Councils, of which £307,558 (see note 17a) was outstanding at 31 March 2015, and £64,057 of income from other Councils, of which £7,901 (see note 14b) was outstanding at 31 March 2015. These amounts mainly related to services provided, certain details of which have already been advised above in this note (see Group Committees).

**Carrickfergus Borough Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

30 Trust Funds

The Council has a Legg Trust Fund which is not recorded in the balance sheet. The trust was created when Charles McFerran Legg paid £2,000 to the Council (£1,400 in 1918 and £600 in 1919) to buy Scotch House in West Street with any surplus monies left over after the purchase to be invested in war stock. The trust gives discretion to the council to sell both the building and the war stock and to use the monies for any "charitable purpose as might be considered advisable by the council in the best interests of the inhabitants of the town of Carrickfergus in the County of Antrim". The council sold the property many years ago. The Council is working through its legal advisors to regularise the Trust. The amount of the fund at 31 March 2015 is £243,653 and is summarised below :

| | 2014/15 | 2013/14 |
|---|----------------|----------------|
| | £ | £ |
| Legg Trust Fund at 31/3/2015 | 243,653 | 241,936 |
| Represented by : | | |
| Legg Trust A/C-3-10-34952 | 3,570 | 2,575 |
| War Stock | 0 | 950 |
| Treasury Investment | 239,770 | 238,100 |
| Accrued Interest on Treasury Investment | 313 | 311 |
| | 243,653 | 241,936 |

31 Payment of Invoices

Councils are encouraged to pay suppliers as promptly as possible and to endeavour to meet the 10 day prompt payment commitment made by the Northern Ireland Executive in response to the current economic position.

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

During the 2014/2015 financial year the Council paid 7,054 invoices totalling £8,105,341.

The Council paid 6,444 invoices within the 30 day target (91%)

The Council paid 4,872 invoices within the 10 day target (69%)

The Council paid 610 invoices outside of the 30 day target (9%).

The Council endeavours to process invoices as quickly as possible and will keep its performance under review.

32 Joint Committees

Rural Development Programme

GROW Joint Council Committee is the delivery mechanism for the Northern Ireland Rural Development Programme (NIRDP) 2007-2014. It comprises the Council Areas of Newtownabbey, Carrickfergus and Antrim. The Northern Ireland Rural Development Programme is funded by the European Agricultural Fund for Rural Development and the Department of Agriculture and Rural Development (DARD). Antrim Borough Council acts as the Administrative Council with responsibility for all financial and administrative matters. Antrim Borough Council administers the payments and income for the Joint Committee but these transactions are not reflected in Carrickfergus Borough Council's accounts. Instead they are reflected in GROW Joint Council 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 subject to statutory audit by a local government auditor. The total expenditure of the GROW Joint Committee during 2014/2015 was £171,826 and the Council contributed nothing during 2014/2015.

Peace III

The Council participates in CAN partnership. Under this arrangement Peace III funding is available from the Special EU Programmes Body. The CAN partnership is made up of Newtownabbey, Carrickfergus and Antrim Councils. Newtownabbey Borough Council acts as an Administrative Council with full responsibility for all financial and administrative matters. Newtownabbey Borough Council administers the payments and income for the CAN partnership but these transactions are not reflected in Carrickfergus Borough Council's accounts. Instead they are reflected in CAN partnership statement of accounts for the year ended 31st March 2015. These statements are prepared under the Local Government (Northern Ireland) Order 2005 and subject to statutory audit by a local government auditor. The total expenditure of the CAN Peace III joint committee during 2014/2015 was £478,241 and the Council contributed nothing during 2014/2015.

Waste Bodies (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 paid £1,299,047 (£57,447 towards buying group expenses and the balance for service delivery) to Arc21.

The Joint Committee is a partnership of 11 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. Total expenditure by the Committee for the year was £28.9 million.

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 subject to statutory audit by a local government auditor.

**Carrickfergus Borough Council
Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

Accounts Authorised for Issue Certificate

In accordance with International Accounting Standard (IAS 10) this Statement of Accounts which contains amendments which are not material from the Accounts approved on 29 June 2015 is at today's date hereby authorised for issue.

IAS 10 sets out

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

Signed
Chief Financial Officer



Date 26/10/15