

STATEMENT OF ACCOUNTS

Mid and East Antrim Borough Council

For the year ended 31st March 2017



**Mid & East
Antrim
Borough Council**

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Mid and East Antrim Borough Council

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Narrative Report

Introduction

The Council's financial performance for the year ended 31st March 2017 is as set out in the Comprehensive Income and Expenditure Statement and its financial position is as set out in the Balance Sheet and Cash Flow Statement.

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom for the year ended 31st March 2017 (the Code) and the Department for Communities Accounts Direction, Circular LG 10/2017. It is the purpose of this foreword to explain, in an easily understandable way the financial facts in relation to the Council.

This Statement of Accounts explains Mid and East Antrim Borough Council's finances during the financial year 2016/17 and its financial position at the end of that year. It follows approved accounting standards and is necessarily technical in parts.

Group Accounts

The Code requires Local Authorities to consider all their interests and to prepare a full set of group financial statements where they have material interests in subsidiaries, associates or joint ventures. Mid and East Antrim Borough Council does not have material interests in such bodies and accordingly is not required to prepare group financial statements.

The Movement in Reserves Statement

This Statement, as set out on page 26 shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for Local Tax purposes. The 'Net increase /Decrease before transfers to statutory and other reserves' line shows the statutory General Fund Balance before any discretionary transfers to or from statutory and other reserves undertaken by the Council.

The Comprehensive Income and Expenditure Statement

This statement, as set out on page 27, 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 28, shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

The Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

Financial Report

For the year ended 31 March 2017, the Council increased its General Fund reserve by £154k to £3,971k. The Council's budget of £48.9m was supplemented by £3k for prior year finalisation payment of district rates. The total net expenditure reported in the Comprehensive Income and Expenditure Statement is £6.2m and includes allocations of £297k to the Repairs and Renewals Fund, £860k to the Capital Fund and £850k to fund capital expenditure.

Expenditure on capital projects during the year amounted to £4.9m, the most significant spend was on Ecos Science Park £1.4m, vehicles and equipment £0.3m, Harryville Community Centre £0.9m, Portglenone Community Centre £0.3m, Gobbins £0.5m. The Council also spent £2.4 million on the Ballymena and Larne Public Realm Schemes.

The following statements are designed to assist the reader of the accounts by focussing on material events and issues which occurred during the 2016/17 year or have an impact on the financial statements for the year.

- (a) The Council has closely monitored service expenditure in its second year of full operation seeking to deliver efficiencies wherever possible. Loan interest payable has been kept to a minimum, no new PWLB loans were taken down during 2016/17. This has been achieved notwithstanding the second year of working through a 4 year £27m capital plan. £21m has already been progressed to commitment stage i.e. under way, statutory requirement or approved at least in principle. Income from grants have been received from various sources from small revenue schemes to major capital schemes. Council's corporate plan objectives are to grow the economy of the Borough while limiting any increase on local taxpayers to a minimum. In overall terms the Council has managed its activity within budget returning a surplus of £154k.

- (b) The Council continues its pension provision for the majority of its staff through the Northern Ireland Local Government Officers Pension scheme (NILGOSC) but from 1 April 2015 a number of staff transferred employment from the Planning Service and consequently the Council now also contributes to the Civil Service pension scheme. The council will continue to monitor the pensions liability of the NILGOSC scheme.
- (c) There were no material or unusual charges or credits in the accounts in the year.
- (d) Over the remaining life of the Council (2015-2019) the Council is planning to update its leisure and community facilities. The Council has no plans to reduce services.
- (e) Council's current borrowing facilities have not changed since last year the only change to the facility in year has been the bi-yearly principal repayments. A number of capital projects are underway. The major non-current asset acquisition was Ecos Science Park £1.4m. There were no major disposals during the year.
- (f) Council has a Capital fund of £5.3m (2015/16 £8.3m) available to meet its capital expenditure plans. The Council has a Capital plan over 4 years and established Prudential Indicators to determine affordability. The Council is within its borrowing boundary. It also has a Fund to address future major maintenance dredging at its harbours and marinas. The Council has a number of Hire Purchase financial commitments relating to legacy Council vehicle purchases. Future fleet investment will be financed both by revenue and PWLB loans. The Council has no PFI schemes.
- (g) The Council has contingencies in relation to the ARC21 energy from waste project, landfill site closure aftercare costs, self insurance, outstanding job evaluation and legal challenges to its Planning Service. Council has also established a fund to provide for any significant costs related to keeping the Gobbins Cliff Path open following for example periods of inclement weather.
- (h) There were no material events after the reporting date.
- (i) The Council will continue to monitor the economic climate and plan accordingly.

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

The Council's Responsibilities

Under Section 1 of the Local Government Finance Act (Northern Ireland) 2011 a council shall make arrangements for the proper administration of its financial affairs. A council shall designate an officer of the council as its chief financial officer and these arrangements shall be carried out under the supervision of its chief financial officer.

Under Regulation 7 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 the Council, or a Committee, is required by resolution, to approve the accounts.

These accounts were approved by the Audit & Scrutiny Committee on 25th September 2017.

The Chief Financial Officer's Responsibilities

Under Regulation 8 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, the Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts in the form directed by the Department for Communities.

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

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

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

The Chief Financial Officer is also required to:

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

Annual Governance Statement 2016/17

Scope of Responsibility

Mid and East Antrim Borough Council ('the Council') is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. 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, which includes arrangements for the management of risk.

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

The Purpose of the Governance Framework

The governance framework comprised of 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's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Governance Framework has been in place for the year ended 31 March 2017 and up to the date of approval of the financial statements.

The Governance Framework

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

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

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

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

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

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

Council have established seven values, which will allow Council to R.E.A.L.I.S.E its vision.

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

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

Council monitor and review the Corporate Plan on a six monthly basis, reporting on progress achieved in relation to delivery of its five strategic priorities and their associated objectives.

Each of the six monthly Corporate Plan progress reports are reported to Full Council for scrutiny and approval.

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

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

The measurement of quality of service for users is undertaken in the form of service business plans, which are submitted to the relevant Council Committees for approval and subsequently monitored and scrutinised by Audit and Scrutiny Committee in terms of performance. During 2016/17 Council developed service business plans, which are based on delivering efficient, effective and value for money services, in line with customer need.

Service Business Plans including performance updates demonstrate clear linkage to the Corporate Plan. The Business Plans and performance updates were reviewed annually and monitored by the Senior Management Team, Directors and Heads of Service.

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

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

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

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

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

The roles, responsibilities and order for the governance of Council is contained within Council's Constitution and Standing Orders (last revised June 2016). All Councillors and Directors are issued with a copy of the Council's Standing Orders. Council have established a Scheme of delegation (last reviewed June 2016), which details the decision making powers delegated by Full Council to Committees and Senior Officers. Council also has a range of other procedures and protocols in place to ensure roles are adequately defined, for example, Protocol for the operation of the Planning Committee, Protocol for the establishment of Working Groups, etc.

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

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

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

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

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

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

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

Council Standing Orders were last revised in June 2017. Council's Scheme of Delegation was last reviewed in June 2016. Standing financial instructions are contained in Council's Finance Policy Manual, which was approved in March 2015. These detail the processes and controls that exist for all financial transactions within Council.

Council has also established a portfolio of policies and procedures under its Constitution.

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

Council developed a suite of Service Risk Registers that will encapsulate all key risks that have the potential to adversely impact the delivery of core Council services. A summary of each Service Risk Register is also included within each associated Service Business Plan demonstrating the interlinkage between these two processes of good governance.

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

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

The Audit and Scrutiny Committee met nine times during 2016/17. Five of these meetings were dedicated to the areas of audit, risk management, internal controls and financial reporting. The Audit and Scrutiny Committee has an established Terms of Reference (last reviewed November 2016).

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

Council appointed an Independent Member to the Audit and Scrutiny Committee in November 2015.

The Audit and Scrutiny Committee reviewed its performance in May 2017 using the self-assessment checklist contained within the Audit Committees: Practical Guidance for Local Authorities and Police (2013 Edition).

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

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

The Council's financial management arrangements does not comply with Principle 5 "The CFO in a local authority must be professionally qualified and suitably experienced" of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government: Framework, as the Council's designated Chief Financial Officer is not a professionally qualified accountant and the role of Chief Financial Officer and Chief Executive are not separate within the Council. The arrangements in place are not considered to compromise the Council's financial management arrangements in any way as the Chief Financial Officer is supported by the Director of Finance and Governance, a fully qualified accountant, ensuring that the decisions made by the Chief Financial Officer are based on sound technical knowledge and understanding. This arrangement complies with the current legislation in Northern Ireland - section 1 (2) of the Local Government Finance Act (Northern Ireland) 2011.

Financial regulations are contained in the Council's Finance Policy Manual. These have been approved by Council. They are made available to all staff through publication on Council's internal computer network drive and are updated and maintained within the Finance Department. Any overriding of Financial procedures requires Council approval.

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

The internal audit function is outsourced and provides an independent opinion on compliance issues. Council's Internal Audit Service Provider was appointed for the period of 1st April 2015 to 31st March 2017.

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

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

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

Council's Whistleblowing Policy was activated twice during 2016/17. One of the whistleblowing allegations has been fully investigated and has resulted in the implementation of new internal controls. The other allegation is still under investigation.

Council have established a corporate Complaints Policy and recording system which is maintained by the Policy Team. The majority of complaints received by Council are managed and resolved informally by the service area. A small number, however, which cannot be resolved informally or are deemed of such a nature that they should be managed formally from the outset, are registered as a Formal Complaint.

Between 1 April 2016 and 31 March 2017, 27 complaints have been recorded as Formal, Stage 1.

Of those formal complaints received, 3 have been forwarded to the second stage i.e. Formal, Stage 2 to be managed by the Chief Executive's Office.

Of those stage 2 formal complaints, 3 have been forwarded to the Office of the Northern Ireland Public Services Ombudsman (NIPSO). NIPSO has closed 1 of the those complaints.

The Complaints Policy does not extend to complaints in relation to Elected Members as these are dealt directly by NIPSO.

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

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

- Community Planning
- Planning
- Declaration of Interests
- Standing Orders
- Audit and Scrutiny Committee

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

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

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

During 2016/17 Council published three editions (Spring, Summer, Autumn) of its ratepayer magazine "Mid and East Antrim Connections" which was delivered to all households throughout the Borough.

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

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

In producing Council's Performance Improvement Plan for 2017/18 Officers undertook a wide ranging consultation process with Council Staff, Elected Members and the general public. The consultation process ran for a 12 week period and included public consultation events in Ballymena, Carrickfergus and Larne.

Council are progressing the Local Development Plan for the Mid and East Antrim Borough. The Local Development Plan will guide the future spatial land use within Mid and East Antrim, apply regional policies at the appropriate local level and inform the general public, statutory authorities, developers and other interested bodies of the planning policy framework and land use proposals within the Borough. In August 2016, Council published a Statement of Community Involvement to set out how the public can become involved in planning matters, including the Local Development Plan process. The timetable published at that time has now been reviewed and a revised timetable will be published in June 2017. Council is scheduled to commence a 12 week consultation period in relation to the Preferred Options Paper which marks the first significant milestone in the development of the Local Development Plan.

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

In the lead up to the publication of the Borough's first Community Plan, Council undertook a thorough and wide ranging consultation process with key stakeholders and residents of the Borough. This consultation process commenced on 10 January 2017 and ran for a 8 week period.

Mid and East Antrim published its first Community Plan "Putting People First" on 31 March 2017.

Council led and participated in a schools Youth Engagement Programme in partnership with Ballymena Learning Together, Carrickfergus Learning Communities, Larne Learning Communities and the Children & Young Peoples Strategic Partnership targeting post primary schools in the Mid and East Antrim area. The Youth Engagement Programme took place during October 2016 and was aimed at:

- Engaging young people in civic life;
- Increasing dialogue and involvement between Council and young people;
- Giving a voice to young people within Mid and East Antrim; and
- Involving young people within good relations activities and dialogue.

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 was informed by the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors.

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

- **Members**

A committee structure is in place within Council which provides Elected Members with a democratic mechanism by which to approve and scrutinise Council business. All Committee places are allocated through the D'Hondt method.

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

● **Senior Officers**

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

In doing so the Senior Management Team regularly reviewed:

- Full Council and Committee Actions;
- Corporate Risk Register;
- Corporate Health and Safety;
- Internal and External Audit Reports;
- New and revised Council Policies;
- Departmental Business Plans;
- Council performance against the priorities set within the Corporate Plan;
- Business Cases;
- Procurement Actions;
- Human Resource Permissions;
- Financial reporting; etc.

● **Audit and Scrutiny Committee**

The Audit and Scrutiny Committee met nine times during 2016/17. Five of these meetings were dedicated to the areas of audit, risk management, internal controls and financial reporting. The Audit and Scrutiny Committee has an Independent Member. The internal and external auditors attend meetings as appropriate. The Audit and Scrutiny Committee approved a risk based internal audit plan for 2016/17 and considered the findings of internal audit reviews and the external audit reports (Annual Audit Letter and Report to those charged with Governance).

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

The effectiveness of the Audit and Scrutiny Committee was reviewed at the Audit and Scrutiny Committee of 22 May 2017. This was done using the self-assessment checklist in the Audit Committees: Practical Guidance for Local Authorities and Police (2013 Edition). The Committee was satisfied with its overall performance when compared against the checklist. In addition, the implementation of recommendations in Internal and External Audit Reports were reviewed.

- **Internal Audit**

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

An annual review of the Internal Audit function has been carried out in accordance with the recommended checklist provided in the CIPFA Local Government Application Note for the UK Public Sector Internal Audit Standards (PSIAS), 2013. This review was presented to the Audit and Scrutiny Committee on 22 May 2017, along with the Annual Internal Audit Assurance Report. Internal Audit reported compliance with the standards.

Internal Audit carried out six Assurance reviews during 2016/17, with each review attaining a Satisfactory Assurance Rating. There were no priority one recommendations received during 2016/17.

Based on the conclusions of the 2016/17 Internal Audit Programme, Internal Audit have provided the Council's Chief Financial Officer with an overall assurance rating of 'Satisfactory' in relation to the Council's system of internal control.

- **Other explicit review/assurance**

Council reviewed its Corporate Risk Register during 2016/17. Action Plans for each Corporate Risk have been formulated in terms of likelihood and impact.

Directors completed Annual Risk Management Assurance Statements.

External audit by the NIAO during the year, gave Council an unqualified audit opinion in relation to their accounts for 2015/16.

The Seven Towers Leisure Centre retained the QUEST UK Quality Scheme for Sport and Leisure accreditation in January 2017.

Council's performance improvement plan and its arrangements to deliver improvement for 2016/17 have been externally audited and assessed by NIAO who provided an audit certification that council's improvement responsibilities have been met for 2016/17, but it was too early in the framework to determine what improvements would be made.

All Service areas within Council's Larne Offices have retained the Environmental Management Quality Standard ISO 14001. Environmental Health and Building Control (Larne Section) have retained the Quality Management Standard ISO 9001.

Ballymena and Carrickfergus Museums are accredited to the Arts Council England Accreditation Scheme.

Carrfunnock Country Park (Grade 4), Carrickfergus Museum (Grade 4) and Larne Museum (Grade 3) are all accredited by the NITB.

A number of Council Parks have been awarded the Green Flag environmental standard.

Council attained joint first place in the Keep Northern Ireland Beautiful survey in relation to street cleanliness when compared against other Northern Ireland Local Authorities.

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

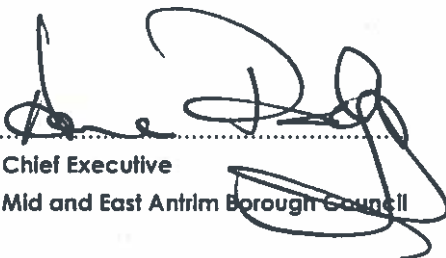
Significant Governance Issues

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

NIAO highlighted a priority 1 issue in relation to procurement during the course of their audit of the 2015/16 and 2016/17 accounts. Senior Management commissioned an internal audit review of this area and the resulting recommendations were implemented by Council in order to strengthen internal controls and mitigate such an issue happening again. A revised Procurement Policy, Officer Procedures and Training Plan are scheduled to be implemented across Council early 2017/18.


Management identified an isolated issue in relation to a PCSP grant funding claim during 2016/17. As a result of this an internal audit review was carried out into the specific issue and a number of recommendations were made and are being implemented to ensure such instances do not happen again.

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

Signed 

**Chief Executive
Mid and East Antrim Borough Council**

Date 25th September 2017

Signed 

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

Date 25th September 2017

NORTHERN IRELAND LOCAL GOVERNMENT BODIES'

REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2017

INTRODUCTION

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

ALLOWANCE AND REMUNERATION ARRANGEMENTS

COUNCILLORS

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

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

A consolidated document on Guidance and determinations on Councillors' Allowances applicable from 1 April 2017 were issued by the Department for Communities on January 2017. The determinations and rates have been updated in LG 03/2017. Details of the allowances paid to individual councillors are published on council websites.

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

SENIOR EMPLOYEES

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

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

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

ALLOWANCES PAID TO COUNCILLORS

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

Table 1: Total Allowances paid to councillors (audited information)

Allowance	2016/17		2015/16	
	Total Allowances £	Number of Councillors receiving the Allowance	Total Allowances £	Number of Councillors receiving the Allowance
Basic Allowance	571,258	40	565,365	41
Special Responsibility Allowance	54,372	26	54,000	12
Chairperson/Deputy Mayor Allowance	7,272	2	7,465	2
Vice Chairperson/ Deputy Mayor Allowance	6,060	2	6,000	1
Mileage Allowance	47,410	34	50,577	36
Public Transport and Other Travel Incidentals	-	0	28	0
Subsistence	-	0	191	5
Courses/ Conferences Visits (registration & joining fees)	6,733	32	6,296	36
Dependents' Carers Allowance	-	0	-	0
TOTAL ALLOWANCES	693,105		689,922	

Details of the allowances paid to individual councillors in 2016/17 are published on the council website at www.midandeantrim.gov.uk/council/policies-and-documents/financial-reports/councillors-allowances-return-2016-17.

REMUNERATION OF SENIOR EMPLOYEES

The remuneration of senior employees covers the Executive Management Team/Senior Management Team. The following table provides details of the remuneration paid to senior employees in 2016/17:

	2016/17				2015/16			
	Salary (full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100) £'000	Total £'000	Salary (Full year equivalent in brackets where applicable) £'000	Bonus Payments £'000	Benefits in kind (to nearest £100) £'000	Total £'000
Officers								
Anne Donaghy Chief Executive	110-115	0	0	110-115	100-105	0	0	100-105
Sandra Cole Director of Finance and Governance	80-85	0	2.1	80-85	75-80	0	1.8	75-80
Philip Thompson Director of Operations	80-85	0	0	80-85	75-80	0	0	75-80
Karen Hargan Director of Organisational Design & Community Planning	80-85	0	0	80-85	75-80	0	0	75-80
Linda Williams Director of Economic Development	75-80	0	0	75-80	5-10 (75-80) (appointed 1st March 2016)	0	0	5-10 (75-80)

The banded remuneration of the highest paid member of the Executive Management Team/Senior Management Team in the financial year 2016/17 was £105k - £110k. This was 4.8 times the median remuneration of the workforce, which was £23k.

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

	2016/17	2015/16
	£000	£000
Salary Band of Highest Paid member of the Executive Management Team/ Senior	110-115	100-105
Median Total Remuneration	23	23
Ratio	4.8:1	4.8:1

In 2016/17, no employees received remuneration in excess of the highest paid member of the Executive Management Team/Senior Management Team.

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

Salary

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

Bonus Payments

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

Benefits in Kind

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

Exit Packages for staff

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

Table 4: Exit Packages in 2016/17 (audited information)

Severance Package Cost Band	2016/17				2015/16			
	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000	Number of Compulsory Redundancies	Number of Other departures agreed	Total Number of Exit Packages in each Cost Band	Total Cost of Packages in each Cost Band £'000
£0 - £20,000	0	0	0	0	0	0	0	-
£20,001 - £40,000	0	0	0	0	0	1	1	24
£40,001 - £60,000	0	0	0	0	0	3	3	140
£60,001 - £80,000	0	0	0	0	0	0	0	-
£80,001 - £100,000	0	0	0	0	0	0	0	-
£100,001 - £150,000	0	0	0	0	0	2	2	240
£150,001 - £200,000	0	0	0	0	0	2	2	355
£200,000+	0	1	1	211	0	4	4	1,036
Total	0	1	1	211	0	12	12	1,795

Pension Benefits

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

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

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

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

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

Table 5: Employee Contribution Rates

Band	Range	Employee Contribution Rate
1	£0 - £14,000	5.50%
2	£14,001 - £21,300	5.80%
3	£21,301 - £35,600	6.50%
4	£35,601 - £43,000	6.80%
5	£43,001 - £85,000	8.50%
6	More than £85,000	10.50%

Employers' contribution rates are determined by the fund's actuary every three years at the triennial valuation. The 2013 triennial valuation was undertaken as at 31 March 2013 and an employer contribution rate of 20% for those employers whose participation in the Scheme is deemed to be indefinite has been set for the following three years, effective from 1 April 2014:

Table 6: Employer Contribution Rates

Year	Employer Contribution Rate
1 April 2014 - 31 March 2015	20%
1 April 2015 - 31 March 2016	20%
1 April 2016 - 31 March 2017	20%
1 April 2017 - 31 March 2018	18% (plus apprentice levy)

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

Councillors have been able to join the Scheme since May 2011 and therefore have not accrued significant benefits thus far. However, the in-year pension contributions made by the Council for all councillors during 2016/17 was £117,934.

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

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

Officers	Accrued Pension at pension age as at 31/3/17	Real increase in pension and related lump sum at pension	CETV at 31/3/17	CETV at 31/3/16	Real increase in CETV
Anne Donaghy	30-35	2.5-5 (45-47.5 LS)	410	362	33
Sandra Cole	25-30	0-2.5 (50-52.5 LS)	460	413	36
Philip Thompson	25-30	0-2.5 (47.5 -50LS)	377	340	27
Karen Hargan	10-15	0-2.5 (0-2.5 LS)	121	97	16
Linda Williams	0-5	0-2.5 (0-2.5 LS)	15	1	7

The Cash Equivalent Transfer Value (CETV)

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

The real increase in the value of the CETV

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

Chief Executive
Date: 25th September 2017

Certificate of the Chief Financial Officer

I certify that:

- (a) the Statement of Accounts for the year ended 31st March 2017 on pages 26 to 93 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 30 to 51.

- (b) in my opinion the Statement of Accounts gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year ending 31st March 2017.


Chief Financial Officer
Date 25th September 2017

Council Approval of Statement of Accounts

These accounts were approved by resolution of the Council/Committee on 25 September 2017.

Chairman 
Date 25th September 2017

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

I have audited the financial statements of Mid and East Antrim Borough Council for the year ended 31 March 2017 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

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.

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 Mid and East Antrim Borough Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Mid and East Antrim Borough Council; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Statement of Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17, of the financial position of Mid and East Antrim Borough Council as at 31 March 2017 and its income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities' directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities' directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and
- The information given in the Narrative Report for the financial year ended 31 March 2017 is consistent with the financial statements.

Matters on which I report by exception

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

- in my opinion:
 - the Annual Governance Statement:
 - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17;
 - does not comply with proper practices specified by the Department for Communities;
 - is misleading or inconsistent with other information I am aware of from my audit; or
 - adequate accounting records have not been kept; or
 - the Statement of Accounts and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
 - I have not received all of the information and explanations I require for my audit, or
- I issue a report in the public interest under Article 9 of the Local Government (Northern Ireland) Order 2005; or
- I designate under Article 12 of the Local Government (Northern Ireland) Order 2005 any recommendation made to the Council; or
- I exercise the other special powers of the auditor under Article 19 to 21 of the Local Government (Northern Ireland) Order 2005.

Certificate

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



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

26 September 2017

Mid and East Antrim Borough Council
 Movement in Reserves Statement for the year ended 31 March 2017

	General Fund Summary £	Other Fund Balances and Reserves £	Capital Receipts Reserve £	Total Usable Reserves £	Total Unusable Reserves £	Total Council Reserves £
Balance as at 1 April 2015	3,488,290	15,043,078	257,940	18,789,308	76,410,237	95,199,545
Movement in reserves during the year						
Surplus/ (Deficit) on the provision of services	(2,108,335)	-	-	(2,108,335)	-	(2,108,335)
Other Comprehensive Income and Expenditure	-	-	-	-	16,426,178	16,426,178
Total Comprehensive Income and Expenditure	(2,108,335)	-	-	(2,108,335)	16,426,178	14,317,843
Adjustments between accounting basis & funding under regulations	5,591,139	(4,904,459)	(216,240)	470,440	(470,440)	-
Net increase before transfers to Statutory and Other Reserves	3,482,804	(4,904,459)	(216,240)	(1,637,895)	15,955,738	14,317,843
Transfers to / from Statutory and Other Reserves	(3,153,982)	3,153,982	-	-	-	-
Increase/ (Decrease) in year	328,822	(1,750,477)	(216,240)	(1,637,895)	15,955,738	14,317,843
Balance as at 31 March 2016	3,817,112	13,292,601	41,700	17,151,413	92,365,975	109,517,388
Movement in reserves during the year						
Surplus/ (Deficit) on the provision of services	(6,546,929)	-	-	(6,546,929)	-	(6,546,929)
Other Comprehensive Income and Expenditure	-	-	-	-	12,717,902	12,717,902
Total Comprehensive Income and Expenditure	(6,546,929)	-	-	(6,546,929)	12,717,902	6,170,973
Adjustments between accounting basis & funding under regulations	8,342,880	(4,215,001)	(41,700)	4,086,179	(4,086,179)	-
Net increase before transfers to Statutory and Other Reserves	1,795,951	(4,215,001)	(41,700)	(2,460,750)	8,631,723	6,170,973
Transfers to / from Statutory and Other Reserves	(1,642,420)	1,642,420	-	-	-	-
Increase/ (Decrease) in year	153,531	(2,572,581)	(41,700)	(2,460,750)	8,631,723	6,170,973
Balance as at 31 March 2017	3,970,643	10,720,020	-	14,690,663	100,997,698	115,688,361

Mid and East Antrim Borough Council

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

Service Expenditure	Notes	2016/17			2015/16		
		Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Leisure and Recreational Services	2	24,215,325	(4,636,436)	19,578,889	24,535,232	(3,983,605)	20,551,627
Environmental Services	2	21,573,861	(3,204,399)	18,369,462	21,099,168	(2,950,755)	18,148,413
Planning and Development Services	2	10,674,792	(3,079,562)	7,595,230	7,953,108	(4,685,639)	3,267,469
Highways and Transport Services	2	1,785,758	(1,163,784)	621,974	789,434	(1,133,257)	(343,823)
DRM and Corporate Management	2	4,586,295	(66,223)	4,520,072	4,170,021	(247,245)	3,922,776
Other Services	2	1,571,731	(663,194)	908,537	1,919,439	(767,320)	1,152,119
Cost of Services on Continuing Operations		64,407,762	(12,813,598)	51,594,164	60,466,402	(13,767,821)	46,698,581
Other Operating Expenditure	7	192,734		192,734		(8,399)	(8,399)
Financing and Investment Income and Expenditure	8	3,989,806	(193,706)	3,796,100	4,552,682	(195,552)	4,357,130
Net Operating Expenditure		68,590,302	(13,007,304)	55,582,998	65,019,084	(13,971,772)	51,047,312
Taxation and Non-Specific Grant Income	9		(49,036,069)	(49,036,069)		(48,938,977)	(48,938,977)
Surplus/(Deficit) on the Provision of Services		68,590,302	(62,043,373)	(6,546,929)	65,019,084	(62,910,749)	(2,108,335)
(Surplus)/Deficit on revaluation of non-current assets	10			21,572,902			10,438,178
Remeasurements of the Net Defined Benefit Liability (Asset)	20			(8,855,000)			5,988,000
Other Comprehensive Income and Expenditure				12,717,902			16,426,178
Total Comprehensive Income and Expenditure				6,170,973			14,317,843

Mid and East Antrim Borough Council
Balance Sheet as at 31 March 2017

	Note	31st March 2017	31st March 2016
		£	£
Fixed Assets	10	203,079,219	184,621,426
Long Term Investments	15	-	-
Investment in Associates and Joint Ventures		-	-
Long Term Debtors	14	1,380,438	1,459,598
LONG TERM ASSETS		204,459,657	186,081,024
Short Term Investments	15	11,428,944	11,967,839
Inventories	13	258,423	235,839
Short Term Debtors	14	4,051,582	4,631,241
Cash and Cash Equivalents	24	70,478	3,366,498
Assets Held for Sale	10	-	-
CURRENT ASSETS		15,809,427	20,201,417
Bank Overdraft	24	126,995	2,926
Short Term Borrowing	16	3,666,874	3,617,913
Short Term Creditors	17	6,388,313	5,181,878
Provisions	18	525,771	737,250
CURRENT LIABILITIES		10,707,953	9,539,967
Long Term Creditors	17	-	-
Provisions	18	1,966,576	2,074,011
Long Term Borrowing	16	57,622,194	61,286,293
Other Long Term Liabilities	20	34,284,000	23,864,782
Donated Assets Account	21	-	-
Capital Grants Receipts in Advance	22	-	-
LONG TERM LIABILITIES		93,872,770	87,225,086
NET ASSETS		115,688,361	109,517,388
USABLE RESERVES			
Capital Receipts Reserve	25	-	41,700
Capital Grants Unapplied Account	25	-	296,440
Capital Fund	25	5,251,439	8,310,000
Renewal and Repairs Fund	25	2,725,617	2,428,197
Other Balances and Reserves	25	2,742,964	2,257,964
General Fund	25	3,970,643	3,817,112
		14,690,663	17,151,413
UNUSABLE RESERVES			
Capital Adjustment Account	26	70,775,834	71,426,609
Financial Instruments Adjustment Account	26	-	-
Revaluation Reserve	26	65,367,169	45,368,349
Available for Sale Financial Instruments Reserve	26	-	-
Pensions Reserve	26	(34,284,000)	(23,862,000)
Capital Receipts Deferred Account	26	-	-
Accumulated Absences Account	26	(861,305)	(566,983)
Landfill Regulations Reserve	26	-	-
Provisions Discount Rate Reserve	26	-	-
		100,997,698	92,365,975
NET WORTH		115,688,361	109,517,388

Mid and East Antrim Borough Council
Cash Flow Statement at 31 March 2017

	Note	2016/17	2015/16
		£	£
Net Deficit on the provision of services		(6,546,929)	(2,108,336)
Adjustment for non-cash movements	24a	11,118,532	10,627,259
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	24a	405,454	(291,941)
Net cash flows from operating activities	24	4,977,057	8,226,982
Cash flows from Investing Activities	24d	(4,779,226)	(4,952,512)
Net Cash flows from Financing Activities	24e	(3,617,920)	(2,414,652)
Net increase or decrease in cash and cash equivalents		(3,420,089)	859,818
Cash and cash equivalents at the beginning of the reporting period		3,363,572	2,503,754
Cash and cash equivalents at the end of the reporting period		(56,517)	3,363,572

Mid and East Antrim Borough Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting Policies

a General Principles

The Statement of Accounts summarises the Council's transactions for the 2016/17 financial year and its position at the year-end of 31 March 2017. The Council is required to prepare an annual Statement of Accounts in a form directed by the Department for Communities in accordance with regulations 3 (7) and (8) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and the Service Reporting Code of Practice 2016/17 (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 2016/17 also requires disclosure in respect of:

Summary of Significant Accounting Policies

i) Accruals of Income and Expenditure

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

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

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

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

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

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

ii) **Acquisitions**

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

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

The Council has made a provision for the costs of settling claims for back pay arising from discriminatory payments incurred before the Council implemented its Single Status Policy.

iv) **Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

v) **Contingent Assets**

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

vi) **Contingent Liabilities**

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

vii) **Discontinued Operations**

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

viii) **Employee Benefits**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, and are recognised as an expense in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end and which employees can carry forward into the next financial year.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of:

- a) when the offer cannot be withdrawn or
- b) when the related restructuring costs are incurred.

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

Post Employment Benefits

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

The Northern Ireland Local Government Officers' Pension Fund

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

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

Liabilities are discounted to their value at current prices, using a discount rate of 2.6% (based on the indicative rate of return on high quality corporate bonds on the iBoxx Sterling Corporate Index, AA over 15 years with recently re-rated bonds removed from the index).

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

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

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

Within the Cost of Services

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

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

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

Within Financing and Investment Income and Expenditure

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

Within Other Comprehensive Income and Expenditure (Remeasurements)

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

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

Within the Movement in Reserves Statement Appropriations

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

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

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

Discretionary Benefits

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

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

ix) Events After the Balance Sheet Date

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

- a. 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
- b. 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 his certificate and opinion. Where material adjustments are made in this period they will be disclosed.

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

x) Exceptional Items

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

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

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

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

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

xii) **Financial Instruments**

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

Financial Liabilities
Amortised Cost

Financial Assets
Loans and Receivables
Available for Sale

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

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

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

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the District Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified into two types:

- a. loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market
- b. 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. Mid and East Antrim Borough Council has not issued any loans.

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:

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

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

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

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

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

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

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

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.

xiii) Foreign Currency Translation

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

xiv) Government Grants and Contributions

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

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

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

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

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

xv) **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 First in First Out (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.

xvi) **Investment Property**

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

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

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

xvii) **Landfill Allowance Scheme**

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

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

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

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 Lease

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

Lease rentals receivable are apportioned between:

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

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and 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.

The Council as Lessor - Operating Lease

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

xix) Disposals and Non-Current Assets Held for Sale

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

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

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

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

Amounts received for a disposal are categorised as capital receipts and credited to the Capital Receipts Reserve. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

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

xx) 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 2016/17 (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

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

b. 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.

xxi) Property, Plant and Equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred. The de minimus level is £5,000 capital expenditure below this limit is treated as a revenue item.

Measurement

Assets are initially measured at cost, comprising:

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

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

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition 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. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2008 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- a. where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains), with any excess charged to the service line in the Comprehensive Income and Expenditure Statement.
- b. where there is no balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

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

Depreciation

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

Depreciation is calculated on the following bases:

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

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

Componentisation

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

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

Revaluations

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

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 a 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 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 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 the 8 years subject to the findings of hydro-graphic reports carried out over the period.

xxii) **Heritage Assets**

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

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

At the end of this reporting period the authority held £1,162k in Heritage Assets. These were mainly museum collections, paintings, books, sculptures and other artifacts. The value was determined by the services of an external valuer. Further information is shown in Note 10e.

xxiii) **Provisions**

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

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

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

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

xxiv) **Reserves**

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

xxv) 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:

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

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

xxvi) Revenue Expenditure Funded from Capital under Statute

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

xxvii) Value Added Tax

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.

xxviii) Fair Value Measurement

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

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

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When measuring the fair value of a non-financial asset, the authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- * Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities

that the authority can access at the measurement date

- * Level 2 – inputs other than quoted prices included within Level 1 that are observable

for the asset or liability, either directly or indirectly

- * Level 3 – unobservable inputs for the asset or liability.

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

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

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

- a) Amendment to the reporting of pension fund scheme transactions costs.

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

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

c Critical Judgements in Applying Accounting Policies

At 31 March 2017 Mid and East Antrim Borough Council has not identified any areas that require such critical judgements.

d **(i) Provisions**

The Council has made a Provision of £359k for the settlement of claims for back pay arising from the Equal Pay initiative, based on the number of claims received.

(ii) Pension Liability

Estimation of the net liability to pay pensions depends on the 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.

e **Third Party Investments**

The Council administers investments for third parties outside the organisation, these investments are not included in the accounts of Mid and East Antrim Borough Council. (see Note 15 for further details).

Mid and East Antrim Borough Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2017

2 Segmental Reporting

a Segmental Reporting Analysis

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

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

Services	2016/17			2015/16		
	Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Culture and Heritage	3,578,087	(1,200,226)	2,377,861	3,589,526	(217,655)	3,371,871
Recreation and Sport	14,204,217	(2,303,636)	11,900,581	15,381,612	(2,646,639)	12,734,973
Tourism	3,458,987	(532,178)	2,926,809	2,704,832	(505,473)	2,199,359
Community Services	2,974,034	(600,396)	2,373,638	2,859,262	(613,838)	2,245,424
Leisure and Recreational Services	24,215,325	(4,636,436)	19,578,889	24,535,232	(3,983,605)	20,551,627
Cemetery, Cremation & Mortuary	1,929,222	(302,381)	1,626,841	1,509,173	(268,688)	1,240,485
Environmental Health	3,766,166	(1,630,534)	2,135,632	3,699,968	(1,515,326)	2,184,642
Flood Defence and Land Drainage	-	-	-	-	-	-
Public Conveniences	417,173	(6,180)	410,993	508,441	(6,005)	502,436
Licensing	1,848	(1,322)	526	139,560	(67,728)	71,832
Other Cleaning	2,244,555	(2,994)	2,241,561	2,036,092	(13,459)	2,022,633
Waste Collection	7,324,543	(494,203)	6,830,340	7,241,138	(560,859)	6,680,279
Waste Disposal	4,893,725	(491,798)	4,401,927	5,602,285	(393,796)	5,208,489
Other Community Assets	11,149	-	11,149	12,097	-	12,097
Minor Works	985,480	(274,987)	710,493	350,414	(124,894)	225,520
Environmental Services	21,573,861	(3,204,399)	18,369,462	21,099,168	(2,950,755)	18,148,413
Community Planning	399,743	(27,075)	372,668	101,208	-	101,208
Economic Development	6,190,237	(1,086,435)	5,103,802	4,482,282	(2,834,341)	1,647,941
EU Rural Development	184,687	(177,414)	7,273	125,092	(125,092)	-
Urban Regeneration and Community Development	26,346	-	26,346	8,225	-	8,225
Planning Policy	2,595,497	(1,067,475)	1,528,022	2,157,362	(1,024,429)	1,132,933
Development Control	-	-	-	-	-	-
Building Control	1,278,282	(721,163)	557,119	1,078,939	(701,777)	377,162
Environmental initiatives	-	-	-	-	-	-
Planning and Development Services	10,674,792	(3,079,562)	7,595,230	7,953,108	(4,685,639)	3,267,469
Off-street Parking Services	1,785,758	(1,163,784)	621,974	789,434	(1,133,257)	(343,823)
Highways and Transport Services	1,785,758	(1,163,784)	621,974	789,434	(1,133,257)	(343,823)
Democratic Representation and Management	2,285,057	(3,306)	2,281,751	1,639,248	(180,600)	1,458,648
Corporate Management	2,301,238	(62,917)	2,238,321	2,530,773	(66,645)	2,464,128
DRM and Corporate Management	4,586,295	(66,223)	4,520,072	4,170,021	(247,245)	3,922,776
Trading Services	412,614	(116,035)	296,579	406,653	(120,583)	286,070
Non Distributed Costs	(247)	-	(247)	100,454	-	100,454
Central Services to the Public	1,159,364	(547,159)	612,205	1,412,332	(646,737)	765,595
Other Services	1,571,731	(663,194)	908,537	1,919,439	(767,320)	1,152,119
CONTINUING OPERATIONS	64,407,762	(12,813,598)	51,594,164	60,466,402	(13,767,821)	46,698,581

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

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

	2016/17	2016/17	2015/16	2015/16
	£	£	£	£
Net Cost of Services in Service Analysis		51,594,164		46,698,581
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		-		-
Remove amounts reported in Service Analysis but not included in Net Cost of Services in the Comprehensive Income and Expenditure Statement		-		-
Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement		51,594,164		46,698,581
Items included in Net Operating Expenditure excluded from Service Analysis:				
Other Operating Expenditure	192,734		(8,399)	
Financing and Investment Income and Expenditure	3,796,100		4,357,130	
Surplus or Deficit on Discontinued Operations				
		3,988,834		4,348,731
Net Operating Expenditure per the Comprehensive Income and Expenditure		55,582,998		51,047,312

3 Adjustment between an Accounting Basis and Funding Basis under Regulations
Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:

	Notes	2016/17		2015/16	
		£	£	£	£
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					
Derecognition (other than disposal) of non-current assets	10	627		108,881	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	10	340,753		52,402	
Depreciation charged in the year on non-current assets	10	7,462,312	7,803,692	7,419,728	7,581,011
Net Revenue expenditure funded from capital under statute	11		3,316,550		2,069,003
Carrying amount of non current assets sold	10	224,084		36,701	
Proceeds from the sale of PP&E, investment property and intangible assets	7a,24d	(31,350)	192,734	(45,100)	(8,399)
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements					
Net charges made for retirement benefits in accordance with IAS 19	20		4,794,000		5,957,000
Direct revenue financing of Capital Expenditure	11,26		(850,316)		(1,470,876)
Capital Grants and Donated Assets Receivable and Applied in year	9b		(102,091)		(641,395)
Capital Grants Receivable and Unapplied in year	9c				(139,334)
Rates Claw-Back Reserve					
Adjustments in relation to Short-term compensated absences	17		294,322		81,316
Adjustments in relation to Lessor Arrangements					
Landfill Regulations Reserve Adjustment					
Provisions Discount Rate Reserve Adjustment					
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	26		(3,879,011)		(3,575,187)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	20		(3,227,000)		(4,262,000)
			8,342,880		5,591,139

Employers contributions payable to NILGOSC and the retirement benefits payable direct to pensioners figure of £3,227k (2015/16 £4,262k) as shown in Note 3 excluded the following costs:

- a. Employers contributions payable to NICS- £252k (2015/16 £259k) in respect of planners.
- b. Additional costs of early retirement pension paid to NILGOSC of £182k (2015/16 £302k).
- c. Additional costs of £44k (2015/16 £12k) re accumulated absences.
- d. Employers contributions payable in respect of Councillors - £118k (2015/16 £118k) as included within Note 6d.

b Net transfers (to)/from statutory and other earmarked reserves:		2016/17		2015/16	
		Notes	£	£	£
Capital Fund					
Interest			-		-
From Capital			-		-
Other		26	(860,000)		(1,889,225)
Renewal and Repairs Fund					
Interest			-		-
Other		26	(297,420)		(215,240)
Capital Receipts Reserve					
Interest			-		-
Other		26	-		-
Other Funds and earmarked reserves					
Interest			-		-
From Other funds			-		-
Other		26	(485,000)		(1,049,517)
			(1,642,420)		(3,153,982)

4 Cost of Services on Continuing Operations

a General power of competence

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

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

The Actual Expenditure under the power of competence amount to £nil during 2016/17 (£nil in 2015/16).

b External Audit Fees

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

	2016/17	2015/16
	£	£
External Audit Fees	57,750	57,750
Legacy External Audit Fees	-	7,000
Over accrual of audit fee 15/16	(5,775)	-
	51,975	64,750

There were no other fees payable in respect of any other services provided by the appointed auditor over and above those described above (£nil 2015/16).

5 Operating and Finance Leases
Council as Lessor

a **Finance Leases (Council as lessor)**

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

b Operating Leases (Council as lessor)

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

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

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £173,257 (2015/2016 £226,583). No contingent rents were recognised.

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

	2016/17		2015/16	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Minimum lease rentals receivable:				
No later than 1 year	131,262	-	185,440	-
Later than 1 year and no later than 5 years	327,798	-	405,540	-
Later than 5 years	2,502,970	-	2,632,033	-
	2,962,030	-	3,223,013	-

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

	2016/17		2015/16	
	Land and Buildings	Vehicles, Plant and Equipment	Land and Buildings	Vehicles, Plant and Equipment
	£	£	£	£
Cost	32,446,653	-	24,761,724	-
Accumulated depreciation and impairments at 1 April	(2,544,576)	-	(2,629,366)	-
Additions in Year			513,365	
Depreciation charge for the year	(1,090,035)	-	(833,683)	-
Impairments	(1,424,686)	-	485,521	-
	27,387,356	-	22,297,561	-

Council as Lessee

c 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 £76,893 (2015/16 £109,774). 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 held under finance leases totalled £31,848 (2015/16 £77,366).

Furthermore, the Council holds a number of long term leases (10,000 years) for items of land. Only a peppercorn rent is paid for this land and is therefore not 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
	£	£	£	£
2016/17				
Finance leases payments	3,142	-	-	3,142
Less: finance charges	(360)	-	-	(360)
Net present value	2,782	-	-	2,782
2015/16				
Finance leases payments	31,848	3,142	-	34,990
Less: finance charges	(3,803)	(360)	-	(4,163)
Net present value	28,045	2,782	-	30,827
2014/15				
Finance leases payments	-	-	-	-
Less: finance charges	-	-	-	-
Net present value	-	-	-	-
Included in the Balance Sheet as:				
	2016	2015	2014	
	£	£	£	
Current liabilities	2,782	28,045	-	
Long term liabilities	-	2,782	-	
Total	2,782	30,827	-	

d Operating leases (Council as lessee)

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

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

The expenditure charged to services in the Comprehensive Income and Expenditure Statement during the year in relation

	2016/17		2015/16	
	Land and Buildings	Vehicles, Plant and Equipment	Land and Buildings	Vehicles, Plant and Equipment
	£	£	£	£
Minimum lease payments	130,578	136,202	116,244	140,548
Contingent rentals	-	-	-	-
Less: Sublease payments receivable	-	-	-	-
Total	130,578	136,202	116,244	140,548

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:

	2016/17		2015/16	
	Land and Buildings £	Vehicles, Plant and Equipment £	Land and Buildings £	Vehicles, Plant and Equipment £
Minimum lease rentals payable:				
No later than 1 year	131,002	105,887	129,493	101,965
Later than 1 year and no later than 5 years	211,790	74,936	180,699	66,062
Later than 5 years	1,539,770	-	1,574,880	-
Total	1,882,562	180,823	1,885,072	168,027

6 Employee Costs and Member Allowances

Staff Costs	2016/17	2015/16
	£	£
Salaries and Wages	17,554,865	17,774,124
Employers NIC	1,544,933	1,100,478
Employers Superannuation	3,362,808	3,320,082
Total staff costs	22,462,606	22,194,684

In addition, agency costs during the year amounted to £4,064,200 (2015/16 £3,424,363).

The Council's current contribution rate to 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% of the liabilities accrued up to that date.

Average Number of Employees - where FTE represents fulltime equivalent employees

Average Number of Employees	2016/17	2015/16
	FTE	FTE
Leisure and Recreation Services	112	116
Environmental Services	233	239
Planning and Development Services	44	37
Highways and Transport Service	-	-
Other	277	277
Total Number	666	669

	2016/17	2015/16
	Actual Numbers	Actual Numbers
Full-time numbers employed	547	538
Part-time numbers employed	205	218
Total Number	752	756

Senior Employees' Remuneration	2016/17	2015/16
	£	£
£50,001 to £60,000	13	8
£60,001 to £70,000	2	3
£70,001 to £80,000	1	2
£80,001 to £90,000	3	3
£90,001 to £100,000	1	-
£100,001 to £110,000	-	2
£110,001 to £120,000	1	1
Total Number	21	19

d Members' Allowances

	2016/17	2015/16
	£	£
Salaries	-	-
Basic allowance	571,258	565,365
Mayor's & Deputy Mayor's Allowance	13,332	13,465
Special Responsibility Allowances	54,372	54,000
Dependents' carers allowance	-	-
Employer costs	164,348	152,299
Mileage	47,410	50,605
Conferences and Courses	6,733	6,296
Travel & Subsistence Costs	-	191
Miscellaneous Costs	-	-
Severance Payments	-	-
Total	857,453	842,221

e Northern Ireland Civil Service Pension Arrangements

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

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

For 2016-17, employers' contributions of £251,622 were payable to the NICS pension arrangements at one of four rates in the range 20.8% to 26.3% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31/03/2012 was completed by the Actuary during 2016-17. This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2015. The contribution rates are set to meet the cost of the benefits accruing during 2016-17 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

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

During the year no employees retired early on ill-health grounds therefore there is no additional accrued pension liability for 2016/17.

7 Other Operating Expenditure

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

	2016/17	2015/16
	£	£
Proceeds from sale	(31,350)	(45,100)
Carrying amount of non-current assets sold (excl Investment Properties)	224,084	36,701
	<u>192,734</u>	<u>(8,399)</u>

b Other Operating Income/Expenditure

	2016/17	2015/16
	£	£
Income	-	-
Expenditure	-	-
	<u>-</u>	<u>-</u>

Other Operating Expenditure	2016/17	2015/16
	£	£
(Surplus) / Deficit on Non Current Assets	192,734	(8,399)
Other Operating (Income) / Expenditure	-	-
	<u>192,734</u>	<u>(8,399)</u>

8 Financing and Investment Income and Expenditure

a Interest Payable and Similar Charges

	2016/17	2015/16
	£	£
Lease/hire purchase interest	3,803	9,487
Bank interest	-	17,758
Government Loan Interest	3,118,519	3,226,215
Commercial Loan Interest	-	-
Other interest (please specify)	-	-
	<u>3,122,322</u>	<u>3,253,460</u>

b Interest and Investment Income

	2016/17	2015/16
	£	£
Bank Interest	46	2,234
Employee car loan interest	264	427
NIHE Loan interest receivable	86,416	89,296
Investment income on Fund Balances		
Capital Fund	-	-
Repairs & Renewals Fund	-	-
Other Funds	-	-
Other Investment income	81,471	79,488
	<u>168,197</u>	<u>171,445</u>

c Pensions interest costs

	2016/17	2015/16
	£	£
Net interest on the net defined benefit liability (asset)	757,000	833,000
	757,000	833,000

d Surplus/(Deficit) on trading operations

	2016/17	2015/16
	£	£
Income from trading	-	-
Expenditure	-	-
(Surplus)/Deficit for the year	-	-

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

	2016/17	2015/16
	£	£
Income/Expenditure from Investment Properties:		
Income including rental income	(25,509)	(24,107)
Expenditure	51,261	35,936
De-recognition in relation to amounts written off	-	-
Net income from investment properties	25,752	11,829
Surplus/deficit on sale of Investment Properties		
Proceeds from sale	-	-
Carrying amount of investment properties sold	-	-
(Surplus)/deficit on sale of Investment Properties:	-	-
Changes in Fair Value of Investment Properties		
	59,223	430,286
	84,975	442,115

	2016/17				2015/16		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	
	£	£	£	£	£	£	
Interest Payable and Similar Charges	3,122,322	-	3,122,322	3,253,460	-	3,253,460	
Interest and Investment Income	-	(168,197)	(168,197)	-	(171,445)	(171,445)	
Pensions interest cost	757,000	-	757,000	833,000	-	833,000	
Surplus/(Deficit) on trading operations	-	-	-	-	-	-	
Other investment income	51,261	(25,509)	25,752	35,936	(24,107)	11,829	
Changes in Fair Value of Investment Properties	59,223	-	59,223	430,286	-	430,286	
	3,989,806	(193,706)	3,796,100	4,552,682	(195,552)	4,357,130	

9 Taxation and Non Specific Grant Income

a Revenue Grants

	2016/17	2015/16
	£	£
General	(4,811,029)	(4,927,686)
Other	-	-
	<u>(4,811,029)</u>	<u>(4,927,686)</u>

b Capital Grants and Donated Assets - Applied

	2016/17	2015/16
	£	£
Government & Other Grants - Conditions met and applied in year	(102,091)	(641,395)
Government & Other Grants - Transfer from receipts in advance	-	-
Donated Assets - Conditions met	-	-
Donated Assets - Transfer from donated assets creditor	-	-
	<u>(102,091)</u>	<u>(641,395)</u>

c Capital Grants - Unapplied

	2016/17	2015/16
	£	£
Government & Other Grants - Conditions met and not applied in year	-	(139,334)
Other	-	-
	<u>-</u>	<u>(139,334)</u>

d District Rates

	2016/17	2015/16
	£	£
Current year	(44,122,949)	(43,230,562)
Finalisation - previous year	-	-
Transitional Relief	-	-
Finalisation - other years	-	-
	<u>(44,122,949)</u>	<u>(43,230,562)</u>

Taxation and Non Specific Grant Income	2016/17	2015/16
	£	£
District Rate Income	(44,122,949)	(43,230,562)
Revenue Grants	(4,811,029)	(4,927,686)
Capital Grants and Contributions	(102,091)	(780,729)
	<u>(49,036,069)</u>	<u>(48,938,977)</u>

Mid and East Antrim Borough Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2017

10 Fixed Assets

Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Inangible Assets	Non-Operational Assets	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2016	30,479,802	162,931,719	4,355,907	-	14,084,727	161,469	1,503,614	37,000	213,554,238	1,162,298	926,568	-	321,947	215,965,051
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2016	30,479,802	162,931,719	4,355,907	-	14,084,727	161,469	1,503,614	37,000	213,554,238	1,162,298	926,568	-	321,947	215,965,051
Additions	-	2,105,851	5,976	-	326,699	16,308	2,347,410	-	4,802,244	-	29,623	-	80,800	4,912,667
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/(decreases) to Revaluation Reserve	7,730,433	(9,069,310)	-	-	-	-	-	-	(1,338,877)	-	-	-	-	(1,338,877)
Revaluation increases/(decreases) to Surplus or Deficit on the Provision of Services	(412,181)	(2,173,827)	-	-	-	-	-	-	(2,586,008)	-	(59,223)	-	-	(2,645,231)
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	(223,845)	-	-	(708,817)	-	-	-	(932,662)	-	-	-	-	(932,662)
Derecognition - Other	-	-	-	-	(2,150)	-	(519)	-	(2,669)	-	-	-	-	(2,669)
Reclassifications & Transfers	-	1,890,519	-	-	(777,523)	-	(1,112,996)	-	-	-	-	-	-	-
Reclassified to(-) / from(+) Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	37,798,054	155,461,107	4,361,883	-	12,922,936	177,777	2,737,509	37,000	213,496,266	1,162,298	896,968	-	402,747	215,958,279

Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PF&E Under Construction	Surplus Assets	Total PPE	Heritage Assets	Investment Properties	Intangible Assets	Operational Assets	Non - Operational Assets	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2016	-	19,165,682	1,947,482	-	10,230,461	-	-	-	31,343,625	-	-	-	-	-	31,343,625
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2016	-	19,165,682	1,947,482	-	10,230,461	-	-	-	31,343,625	-	-	-	-	-	31,343,625
Depreciation Charge	-	6,430,794	156,863	-	874,655	-	-	-	7,462,312	-	-	-	-	-	7,462,312
Depreciation written out on Revaluation Reserve	-	(22,911,779)	-	-	-	-	-	-	(22,911,779)	-	-	-	-	-	(22,911,779)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	(2,304,478)	-	-	-	-	-	-	(2,304,478)	-	-	-	-	-	(2,304,478)
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	(65,837)	-	-	(642,741)	-	-	-	(708,578)	-	-	-	-	-	(708,578)
Derecognition - Other	-	-	-	-	(2,042)	-	-	-	(2,042)	-	-	-	-	-	(2,042)
Reclassifications & Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	-	314,382	2,104,345	-	10,460,333	-	-	-	12,879,060	-	-	-	-	-	12,879,060

Net Book Values

Balance as at 31 March 2017	37,798,054	155,146,725	2,257,538	-	2,462,603	177,777	2,737,509	37,000	200,617,206	1,162,298	896,968	-	402,747	203,079,219
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Cost or Valuation	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Intangible Assets	Non-Operational Assets	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 1 April 2015	30,100,968	142,352,321	4,355,907	-	15,104,377	161,469	8,586,031	37,000	200,498,073	1,162,298	825,659	6,255	321,947	203,014,232
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2015	30,100,968	142,352,321	4,355,907	-	15,104,377	161,469	8,586,031	37,000	200,498,073	1,162,298	825,659	6,255	321,947	203,014,232
Additions (Note 11)	-	2,347,079	-	-	2,022,906	-	1,156,848	-	5,526,833	-	251,508	-	-	5,778,341
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increases/decreases to Revaluation Reserve	3,500	9,695,154	-	-	-	-	-	-	9,698,654	-	-	-	-	9,698,654
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	(72,488)	545,669	-	-	-	-	-	-	473,181	-	(430,286)	-	-	42,895
Impairment to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	(4,666)	-	-	-	(391,696)	-	-	-	(396,362)	-	-	(6,255)	-	(402,617)
Derecognition - Other	-	-	-	-	(2,158,028)	-	(8,426)	-	(2,166,454)	-	-	-	-	(2,166,454)
Reclassifications & Transfers	452,488	7,991,496	-	-	(492,832)	-	(8,230,839)	-	(279,687)	-	279,687	-	-	-
Reclassified to(-) / from(+) Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2016	30,479,802	162,931,719	4,355,907	-	14,084,727	161,469	1,503,614	37,000	213,554,238	1,162,298	926,568	-	321,947	215,965,051

Depreciation and Impairment	Land	Buildings	Infrastructure Assets	Landfill Sites	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	Investment Properties	Intangible Assets	Non-Operational Assets	TOTAL
Balance as at 1 April 2015	-	13,046,942	1,790,790	-	12,153,881	-	-	-	26,991,613	-	-	-	-	26,991,613
Adjustments between cost/value & depreciation/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2015	-	13,046,942	1,790,790	-	12,153,881	-	-	-	26,991,613	-	-	-	-	26,991,613
Depreciation Charge	-	6,318,524	156,692	-	944,512	-	-	-	7,419,728	-	-	-	-	7,419,728
Depreciation written out on Revolutioin Reserve	-	(739,524)	-	-	-	-	-	-	(739,524)	-	-	-	-	(739,524)
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	-	95,297	-	-	-	-	-	-	95,297	-	-	-	-	95,297
Impairment losses/reversals to Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	-	-	(365,916)	-	-	-	(365,916)	-	-	-	-	(365,916)
Derecognition - Other	-	22,215	-	-	(2,079,788)	-	-	-	(2,057,573)	-	-	-	-	(2,057,573)
Reclassifications & Transfers	-	422,228	-	-	(422,228)	-	-	-	-	-	-	-	-	-
Eliminated on reclassification to Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2016	-	19,165,682	1,947,482	-	10,230,461	-	-	-	31,343,625	-	-	-	-	31,343,625

Net Book Values

Balance as at 31 March 2016	30,479,802	143,766,037	2,408,425	-	3,854,266	1,611,469	1,503,614	37,000	182,210,613	1,162,298	926,568	-	321,947	184,621,426
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Valuations

A full valuation of freehold and leasehold properties was carried out as at 31 March 2017 by an independent valuer from Land and Property Services (LPS). The requirement for the valuations under the CIPFA Code of Practice (The Code) is at least every five years. IAS 16 states that revaluations should be made with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value.

The LPS valuations for 31 March 2017 are fully reflected in the closing carrying values of Land, Buildings, Investment Properties and Surplus Assets.

Impairment

Two of the councils investment properties have been impaired by £59K in total during the year.

Mid and East Antrim Borough Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2017

10 c Intangible Assets

The Council does not own any Intangible Assets.

d Investment Properties

Additions in the year of £29,623 included amounts in relation to enhancements of £29,623.

Investment Properties	31/03/2017	31/03/2016
	£	£
Rental Income from Investment Activities	25,509	24,107
Direct Operating expenses arising from investment properties	(51,261)	(35,936)
Net gain/(loss)	(25,752)	(11,829)

e Heritage Assets

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

Ballymena Legacy Council - Museum Collection £95,000, Civic Regalia £65,000 and Mace valued at £2,000.

Carrickfergus Legacy Council - Painting & Books £215,449, Sculptures £65,599 and Other Artefacts £541,250.

Larne Legacy Council - Art Collection £113,750, Ceremonial Dress £35,340 and Other Heritage assets £28,910.

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

f Non-Operational Assets

Non-Operational Assets	Current	Non Current	Total
Cost or Valuation			
Balance as at 1 April 2016	-	321,947	321,947
Additions	-	80,800	80,800
Adjustments between cost/value & depreciation/impairment	-	-	-
Transferred from Non-Current Assets during year	-	-	-
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
Balance as at 31 March 2017	-	402,747	402,747
Impairment			
Balance as at 1 April 2016	-	-	-
Adjustments between cost/value & depreciation/impairment	-	-	-
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	-	-	-
Derecognition - Disposals	-	-	-
Derecognition - Other	-	-	-
Transferred to Property, Plant & Equipment during year	-	-	-
Balance as at 31 March 2017	-	-	-
Net Book Value			
Balance as at 31 March 2017	-	402,747	402,747
Balance as at 31 March 2016	-	321,947	321,947

g Long-Term Assets - Leased Assets

	Vehicles £	Equipment £	TOTAL £
Cost or Valuation			
Balance as at 1 April 2016	1,272,842	166,638	1,439,480
Additions	-	-	-
Disposals	(228,286)	-	(228,286)
31st March 2017	1,044,556	166,638	1,211,194
Depreciation			
Balance as at 1 April 2016	1,163,068	154,574	1,317,642
Disposals	(216,872)	-	(216,872)
Provided for year	21,467	1,864	23,333
31st March 2017	967,663	156,440	1,124,103
Net Book Value	76,893	10,198	87,091

	Vehicles £	Equipment £	TOTAL £
Cost or Valuation			
Balance as at 1 April 2015	1,272,842	209,168	1,482,010
Additions	-	-	-
Disposals	-	(42,530)	(42,530)
Balance as at 31 March 2016	1,272,842	166,638	1,439,480
Depreciation			
Balance as at 1 April 2015	1,163,068	204,888	1,367,956
Disposals	-	(41,000)	(41,000)
Provided for year	(9,314)	1,864	(9,314)
Balance as at 31 March 2016	1,163,068	154,574	1,317,642
Net Book Value	109,774	12,064	121,838

h Fair Value Hierarchy for Surplus Assets

Details of the Council's surplus assets and information about the fair value hierarchy as at 31 March 2017 and 2016 are as follows:

2016/17 Recurring fair value measurements using	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2017
	£	£	£	£
Type 1	37,000	-	-	37,000
Type 2	-	-	-	-
Type 3	-	-	-	-
Total	37,000	-	-	37,000

2015/16 Recurring fair value measurements using	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2016
	£	£	£	£
Type 1	37,000	-	-	37,000
Type 2	-	-	-	-
Type 3	-	-	-	-
Total	37,000	-	-	37,000

Transfers between levels of the fair value hierarchy

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

Highest and best use of surplus assets

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

Valuation Techniques

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

Valuation Process for Surplus Assets

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

I Fair Value Hierarchy for Investment Properties

Details of the Council's Investment Properties and information about the fair value hierarchy as at 31 March 2017 and 2016 are as follows

2016/17 Recurring fair value measurements using:	Quoted Prices in active markets for Identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31st March 2017
	£	£	£	£
Residential (Market Rental) Properties	896,968	-	-	896,968
Office Units	-	-	-	-
Commercial Units	-	-	-	-
Total	896,968	-	-	896,968

2015/16 Recurring fair value measurements using:	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs	Fair value as at 31st March 2016
	£	£	£	£
Residential (Market Rental) Properties	926,568	-	-	926,568
Office Units	-	-	-	-
Commercial Units	-	-	-	-
Total	926,568	-	-	926,568

Transfers between levels of the fair value hierarchy

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

Valuation Techniques

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

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.

Capital Expenditure	2016/17	2015/16
	£	£
Opening Capital Financing Requirement	67,826,459	70,971,706
Capital Investment		
Property, Plant and Equipment	10	4,802,244
Investment Properties	10	29,623
Intangible Assets	10	80,800
Revenue Expenditure Funded from Capital under Statute	3	3,316,550
Investments		
Sources of Finance		
Capital Receipts		(73,050)
Government Grants and Other Contributions	9	(398,531)
Transfers from Earmarked Reserves		(3,918,561)
Sums set aside from Revenue:		
Direct Revenue Contributions		(850,916)
Minimum Revenue Provision **		(3,879,011)
Closing Capital financing Requirement	66,936,207	67,826,459
Explanation of Movements In Year	2016/17	2015/16
	£	£
Increase/(Decrease) in underlying need to borrow	(690,252)	(3,145,247)
Assets acquired under finance leases		
Assets acquired under PFI/PPP contracts		
Increase/(decrease) In Capital Financing Requirement	- 890,252	- 3,145,247

12 Future Capital Commitments

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

Of the £27.9m capital commitments disclosed below £4.2m (2015/16 £4.1m) of this relates to REFCUS.

	Gross Cost	Grant Aid	Net Cost
	£	£	£
Schemes underway	9,374,522	1,631,300	7,743,522
Other Commitments	18,535,823	5,278,816	13,257,007
Total	27,910,645	6,910,116	21,000,529

13 Inventories	2016/17	2015/16
	£	£
Garage	12,153	16,880
Bins	56,819	41,145
Trading Outlets	91,402	93,612
Stationery	18,607	20,232
Other	79,442	63,970
Total	258,423	235,839

The above figures are stated net of an obsolete provision of £13,601 (2015/16 £12,413).

14 Debtors	2016/17		2015/16	
	£		£	
a Long Term Debtors				
Government Departments	-	-	-	-
Other Councils	-	-	-	-
Public corporations and trading funds	-	-	-	-
Bodies external to general government	-	-	-	-
Employee car loans	-	-	-	-
Revenue Grants	-	-	-	-
Capital Grants	-	-	-	-
Interest Receivable	-	-	-	-
Capital Debtors	-	-	-	-
Loans and advances	-	-	-	-
Finance lease debtors	-	-	-	-
Trade debtors	-	-	-	-
NIHE Loans	1,380,438	1,459,598		
Other	-	-	-	-
Impairment of loans and receivables	-	-	-	-
Total Long Term Debtors	1,380,438	1,459,598		
b Short Term Debtors				
Government Departments	35,158	1,293,838		
Other Councils	86,416	72,562		
Public corporations and trading funds	-	-		
Bodies external to general government	464,952	300,823		
NIHE loans	79,160	74,329		
Employee car loans	1,749	4,747		
Revenue Grants	1,211,676	717,444		
Capital Grants	139,415	124,482		
Interest Receivable	39,158	20,105		
Capital Debtors	6,500	-		
Value Added Tax	1,396,998	1,339,735		
Prepayments	132,147	185,595		
Finance lease debtors	-	-		
Other	13,883	217,637		
Trade receivables	518,421	329,024		
Impairment loss - Trade receivables	(74,051)	(49,080)		
Total Short Term Debtors	4,051,582	4,631,241		
Total Debtors	5,432,020	6,090,839		

15 Investments

a Long Term Investments

The Council does not hold any long term investments.

b Short-Term Investments

	2016/17	2015/16
	£	£
Investments - general	-	-
Investments - Deposits for landfill	1,670,692	2,066,923
Investments - capital fund	-	-
Investments - other	9,758,252	9,900,916
Total Short-term Investments	11,428,944	11,967,839

	2016/17	2015/16
	£	£
Analysed over:		
Money market deposits	-	-
Other deposits	11,428,944	11,967,839
Total Short-term Investments	11,428,944	11,967,839

Total Long Term and Short-term Investments	11,428,944	11,967,839
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The Council also administers £296,016 (2015/16 £288,605) of third party Investments, these values are not included in the accounts of Mid and East Antrim Borough Council.

The Legacy Lame Borough Council received a donation from Fort James Paper Mill to be used for the benefit of the people of Lame, at 31 March 2017 the balance on deposit was £2,198 (2015/16 £2,198). It also had investments in the Northern Ireland Central Investment Fund for Charities of £34,968 (2015/16 £30,428), and a Charities account of £11,300 (2015/16 £9,401). The Legacy Carrickfergus Borough Council had an investment Legg Trust Fund with a balance of £246,053 at 31 March 2017 (2015/16 £245,009).

Third party investments also include the Lame Coal Fund of £356 (2015/16 £356) and council bank deposits for various community groups of £1,141 (2015/16 £1,213).

16 Borrowings

a Short Term Borrowing

	2016/17	2015/16
	£	£
Loans re-payable within one year	3,664,092	3,589,868
Finance Lease Principal	2,782	28,045
Total Short Term Borrowing	3,666,874	3,617,913

b Long Term Borrowing

	2016/17	2015/16
	£	£
Between 1 and 2 years	3,766,365	3,664,098
Between 2 and 5 years	9,085,943	9,005,858
Between 5 and 10 years	15,685,878	15,395,225
In more than 10 years	29,084,008	33,221,112
Government Loans Fund	57,622,194	61,286,293
Total Borrowing	61,289,068	64,904,206

Interest rates on Government loans range between 1.45% and 11.375%

17 Creditors			
a Short Term Creditors			
	2016/17	2015/16	2014/15
	£	£	£
Government Departments	241,190	273,778	-
Other Councils	96,805	57,404	-
Public corporations and trading funds	-	-	-
Bodies external to general government	134,592	48,135	-
Rates clawback	-	-	-
VAT	185	14,748	-
Remuneration due to employees	400,862	194,740	-
Accumulated Absences	861,305	566,983	485,667
Receipts in advance	170,155	-	-
Trade creditors	3,878,089	3,167,724	-
Other	605,130	858,366	-
Total Short Term Creditors	6,388,313	5,181,878	485,667
b Long Term Creditors			
Other creditors falling due after more than one year			
	2016/17	2015/16	2014/15
	£	£	£
Government Departments	-	-	-
Other Councils	-	-	-
Public corporations and trading funds	-	-	-
Bodies external to general government	-	-	-
Rates clawback	-	-	-
Remuneration due to employees	-	-	-
Accumulated Absences	-	-	-
Receipts in advance	-	-	-
Trade creditors	-	-	-
Other	-	-	-
Total Long Term Creditors	-	-	-
Total Creditors	6,388,313	5,181,878	485,667

c Payment of invoices

The Council has a target of paying supplier invoices within 30 calendar days.

During the year the Council received 25,613 invoices totalling £42,393,210 (2015/16 25,207 invoices totalling £42,140,885).

The number of disputed invoices during the year was 58.

The Council paid:

22,563 Invoices within the 30 day target;
12,227 Invoices within the 10 day target; and
3,050 Invoices outside of the 30 day target.

18 Provisions						
	Balance as at 1 April 2016	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	Balance as at 31 March 2017
	£	£	£	£	£	£
Landfill closure	2,066,923	-	(132,828)	(427,578)	-	1,506,517
Insurance	291,500	201,333	(78,885)	(36,930)	-	377,018
Single Status	352,838	14,974	-	(9,000)	-	358,812
Other	100,000	250,000	(100,000)	-	-	250,000
Total	2,811,261	466,307	(311,713)	(473,508)	-	2,492,347
Current Provisions	737,250	305,241	(248,605)	(268,115)	-	525,771
Long Term Provisions	2,074,011	161,066	(63,108)	(205,393)	-	1,966,576
Total	2,811,261	466,307	(311,713)	(473,508)	-	2,492,347
Comparative Year						
	Balance as at 1 April 2015	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	Balance as at 31 March 2016
	£	£	£	£	£	£
Landfill closure	2,211,449	32,029	(176,555)	-	-	2,066,923
Insurance	198,825	239,973	(46,528)	(100,770)	-	291,500
Single Status	382,976	8,562	(38,700)	-	-	352,838
Other	26,862	100,000	(26,862)	-	-	100,000
Total	2,820,112	380,564	(288,645)	(100,770)	-	2,811,261
Current Provisions	675,715	339,261	(277,726)	-	-	737,250
Long Term Provisions	2,144,397	41,303	(10,919)	(100,770)	-	2,074,011
Total	2,820,112	380,564	(288,645)	(100,770)	-	2,811,261

Landfill closure

The landfill closure provision relates to the subsequent closure costs for the closed Ballymacvea landfill site. A full revaluation was carried out during the year ended 31 March 2014 by RPS Consulting Engineers and the valuation has been discounted in line with real discount rates at 31 March 2017 i.e. discount rates are based on the National Loans fund borrowing rates.

Insurance

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

Single Status

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

Other

This provision relates to the estimated cost of a judicial review in respect of planning.

19 Financial Instruments

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

Credit Risk

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

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

Trade debtors, inclusive of VAT, can be analysed by age as follows:		£
Less than three months		470,651
Three to six months		13,961
Six months to one year		18,393
More than one year		48,858
		551,863

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

Liquidity Risk

As the Council has ready access to borrowings from the Department of Finance's Consolidated Fund, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The maturity analysis of financial liabilities is included in notes 16 to 18. All trade and other payables are due for payment within one year.

Market Risk

Interest rate risk

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

Foreign Exchange Risk

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

Fair Value of Soft Loans and Government Loans

The Council is in receipt of loans from the Department of Finance and Personnel at concessionary interest rates that differ from the prevailing market rates. The fair value of these loans is £85,086,334, broken down as follows:

	£
Government Loans	85,086,334
Market Loans	-
Total	85,086,334

20 Retirement Benefits

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

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

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

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

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

However, the charge the Council is required to make against district rates is based on the cash payable in the year, and the real cost of retirement benefits is reversed out in the adjustments between accounting basis & funding basis under regulations line, in the Movement on Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the adjustments between accounting basis & funding basis under regulations line, in the Movement on Reserves Statement during the year:

	Note	2016/17 £	2015/16 £
Net cost of services:			
Current service cost		4,037,000	4,083,000
Past service cost/(gain)		-	1,041,000
Gains and losses on settlements or curtailments		-	-
Net operating expenditure:			
Net interest on net defined benefit liability (asset)		757,000	833,000
Total Post-employment benefits charged to the Surplus or Deficit on the Provision of Services		4,794,000	5,957,000
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(4,794,000)	(5,957,000)
Actual amount charged against the general fund balance for pensions in the year:			
Employers' contributions payable to scheme		3,227,000	4,262,000
Net adjustment to the General Fund		(1,567,000)	(1,695,000)

The service cost figures include an allowance for administration expenses of 1.6%.

Remeasurements recognised in Other Comprehensive Income and Expenditure	Note	2016/17 £	2015/16 £
Liability gains/(losses) due to change in assumptions *		(30,551,000)	5,462,000
Liability experience gains/(losses) arising in the year		7,373,000	943,000
Actuarial gains/(losses) on plan assets		14,323,000	(417,000)
Other - (if applicable)		-	-
Total gains/(losses) recognised in Other Comprehensive Income and Expenditure		(8,855,000)	5,988,000

* Includes financial assumptions and demographic assumptions.

c Assets and liabilities in relation to retirement benefits

Reconciliation of present value of the scheme liabilities.	Note	2016/17 £	2015/16 £
Balance as at 1 April		136,242,000	135,958,000
Current service cost		4,037,000	4,083,000
Interest cost		4,583,000	4,308,000
Contributions by members		1,018,000	1,035,000
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		30,551,000	(5,462,000)
Actuarial gains/losses arising from demographic changes		(976,000)	-
Actuarial gains/losses arising on liabilities from experience		(6,397,000)	(943,000)
Other (if applicable)		-	-
Past service costs/(gains)		-	1,041,000
Losses/(gains) on curtailments		-	-
Liabilities extinguished on settlements		-	-
Estimated unfunded benefits paid		(53,000)	(53,000)
Estimated benefits paid		(3,935,000)	(3,725,000)
Balance as at 31 March		165,070,000	136,242,000

Reconciliation of present value of the scheme assets:	Note	2016/17 £	2015/16 £
Balance as at 1 April		112,380,000	107,803,000
Interest Income		3,826,000	3,475,000
Contributions by members		1,018,000	1,035,000
Contributions by employer		3,174,000	4,209,000
Contributions in respect of unfunded benefits		53,000	53,000
Remeasurement gain/(loss)		14,323,000	(417,000)
Assets distributed on settlements		-	-
Unfunded benefits paid		(53,000)	(53,000)
Benefits paid		(3,935,000)	(3,725,000)
Balance as at 31 March		130,786,000	112,380,000

The actual return on scheme assets in the year was a gain/loss of £18,149,000 (2015/16 gain of £3,058,000).

Fair Value of Plan Assets	31/03/2017 £	31/03/2016 £
Equity Investments	97,435,570	80,801,220
Bonds	15,040,390	13,597,980
Property	13,732,530	14,834,160
Cash	3,400,436	2,584,740
Other	1,177,074	561,900
	130,786,000	112,380,000

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

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

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

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

	31/03/2017 £	31/03/2016 £
Fair Value of Employer Assets	130,786,000	112,380,000
Present value of funded defined benefit obligation	(164,156,000)	(135,421,000)
Pension asset/(liability) of Funded Scheme	(33,370,000)	(23,041,000)
Present Value of unfunded defined benefit obligation	(914,000)	(82,000)
Other movement in the liability (asset) (if applicable)	-	-
Net asset/(liability) arising from the defined benefit obligation	(34,284,000)	(23,862,000)
Amount in the Balance sheet:		
Liabilities	(34,284,000)	(23,862,000)
Assets		
Net Asset/(Liability)	(34,284,000)	(23,862,000)

d Scheme history

Analysis of scheme assets and liabilities	31/03/2017 £	31/03/2016 £
Fair Value of Assets in pension scheme	130,786,000	112,380,000
Present Value of Defined Benefit Obligation	(165,070,000)	(136,242,000)
Surplus/(deficit) in the Scheme	(34,284,000)	(23,862,000)

Amount recognised in Other Comprehensive Income and Expenditure	31/03/2017 £	31/03/2016 £
Actuarial gains/(losses)	(23,178,000)	6,405,000
Expected Return on Plan Assets	14,323,000	(417,000)
Increase/(decrease) in irrecoverable surplus from membership fall and other factors		
Remeasurements recognised in Other Comprehensive Income and Expenditure	(8,855,000)	5,988,000
Cumulative actuarial gains and losses	(2,867,000)	5,988,000
History of experience gains and losses:		
Experience gains and (losses) on assets		
Experience gains and (losses) on liabilities	6,397,000	943,000

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £34,284,000 has a substantial impact on the net worth of the Council as recorded in the Balance Sheet.

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

Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2017

	31/03/2017 £	31/03/2017 %
Projected current cost	5,500,000	87.0%
Net interest on the net defined benefit liability (asset)	826,000	13.0%
Past service cost	-	0.0%
Gains and losses on settlements or curtailments	-	0.0%
	6,326,000	100.0%

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the council in the year to 31 March 2018 is £6,399,000.

History of experience gains and losses

The actuarial gains/losses identified as movements on the Pensions Reserve 2016/17 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2017.

	31/03/2017 %	31/03/2016 %
Experience (gains and losses) on Assets	-0.00%	0.00%
Experience gains and (losses) on Liabilities	-3.88%	-0.69%

Basis for estimating assets and liabilities

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

Long-term expected rate of return on assets in the scheme:	2016/17 %	2015/16 %
Equity investments	0.0%	0.0%
Bonds	0.0%	0.0%
Property	0.0%	0.0%
Cash	0.0%	0.0%
Other	0.0%	0.0%
Mortality assumptions:		
Longevity at 65 current pensioners:	Years	Years
Men	23.2	22.3
Women	25.8	24.8
Longevity at 65 for future pensioners:		
Men	25.4	24.5
Women	28.1	27.2
Inflation/Pension increase Rate	2.00%	1.80%
Salary increase Rate	3.50%	3.30%
Expected Return on Assets	0.00%	0.00%
Discount Rate	2.60%	3.40%
Pension accounts revaluation rate	2.00%	1.80%
Take-up of option to convert annual pension into retirement lump sum:		
Service to April 2009	0%	0%
Service post April 2009	0%	0%

Pension Assumptions Sensitivity Analysis

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

The approximate impact of changing key assumptions on the present value of the funded defined benefit obligation as at 31 March 2017 is set out below.

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

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	161,004,000.00	167,370,000.00
% change in the present value of the total obligation	-1.90%	2.00%
Projected service cost	5,387,000.00	5,717,000.00
Approximate % change in projected service cost	-2.90%	3.00%
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	165,037,000	163,284,000
% change in the present value of the total obligation	0.50%	-0.50%
Projected service cost	5,550,000.00	5,550,000.00
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	166,480,000.00	161,687,000.00
% change in the present value of the total obligation	1.40%	-1.40%
Projected service cost	5,717,000.00	5,387,000.00
Approximate % change in projected service cost	0.00%	0.00%
Post Retirement Mortality Assumption		
Adjustment to mortality age rating assumption*	-1 Year	+1 Year
Present value of the total obligation	168,957,000.00	159,381,000.00
% change in the present value of the total obligation	2.90%	-2.90%
Projected service cost	5,744,000.00	5,357,000.00
Approximate % change in projected service cost	3.50%	-3.50%

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

Major categories of plan assets as percentage of total plan assets

	31/03/2017	31/03/2016
	%	%
Equity Investments	74.50%	71.90%
Government Bonds	5.40%	5.70%
Corporate Bonds	6.10%	6.40%
Property	10.50%	13.20%
Cash	2.60%	2.30%
Other	0.90%	0.50%
Total	100.00%	100.00%

Northern Ireland Civil Service Pension Arrangements

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

21 Donated Assets Account

The Council does not hold any Donated Assets.

22 Capital Grants Received In Advance	Note	2016/17	2015/16
		£	£
Opening balance		0	15,711
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	(15,711)
		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:

Capital Grants Receipts in Advance	Note	2016/17	2015/16
		£	£
Grant A		0	0
Grant B		0	0
Grant C		0	0
		0	0

23 Contingencies

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

The Arc 21 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 Mid and East Antrim Borough Council has agreed its share of the contingent liability. Payments made if any in accordance with this undertaking will be funded by the Participant Councils. No further information on this agreement can be disclosed due to the commercial sensitivity of the procurement process.

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of State Pension prior to 6 April 1997. At present there is an inequality of benefits between male and female members who have GMP. No explicit allowance has been made for the GMP equalisation in this year's figures. Until it is known how GMP equalisation will be carried out, the impact for it on the liabilities is uncertain.

Due to the uncertainty around the above events, Council have not made a provision for these costs in the current financial statements, but have included them, as contingent liabilities for the future.

Mid and East Antrim Borough Council
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2017

24 Other cash flow disclosures

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

Adjustment to surplus or deficit on the provision of services for noncash movements			
	Notes	2016/17	2015/16
		£	£
Depreciation	10	7,462,312	7,419,728
Impairment & downward revaluations (& non-sale)	10	281,530	(377,890)
Amortisation (included with depreciation above)		-	-
(Increase)/Decrease in Stock		(22,584)	8,361
(Increase)/Decrease in Debtors		633,848	1,725,293
Increase/(decrease) in impairment provision for bad debts		24,971	17,195
Increase/(Decrease) in Creditors		1,206,435	(402,135)
Increase/(Decrease) in Interest Creditors		-	(25,310)
Payments to NILGOSC	20	1,567,000	1,695,000
Carrying amount of non-current assets sold	10	224,084	36,701
AIC/WIP written off to Net Cost of Services	10	627	108,881
Contributions to Other Reserves/Provisions		(318,914)	(8,851)
Movement in value of investment properties-included above in Impairment & downward revaluations (& non-sale derecognitions)		59,223	430,286
Amounts posted to CIES from Donated Assets Account	21	-	-
		11,118,532	10,627,259

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing			
	Notes	2016/17	2015/16
		£	£
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		538,895	533,888
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-	-
Proceeds from the sale of PP&E, investment property and intangible assets		(31,350)	(45,100)
Capital grants included in "Taxation & non-specific grant income"		(102,091)	(780,729)
		405,454	(291,941)

b Cash and Cash Equivalents

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

	2016/17	2015/16	2014/15
	£	£	£
Cash and Bank balances	70,478	3,366,498	2,503,754
Short Term Deposits (considered to be Cash Equivalents)	-	-	-
Short Term Investments (considered to be Cash Equivalents)	-	-	-
Bank Overdraft	(126,995)	(2,926)	-
	(56,517)	3,363,572	2,503,754

c Cash Flow Statement: Operating Activities		2016/17	2015/16
		£	£
The cash flows from operating activities include:			
Interest received		168,197	171,445
Interest paid		(3,122,322)	(3,253,460)

d Cash flows from Investing Activities		2016/17	2015/16
		£	£
Purchase of PP&E, investment property and intangible assets		4,912,667	5,778,341
Purchase of Short Term Investments (not considered to be cash equivalents)		-	-
Purchase of Long Term Investments		-	-
Other Payments for Investing Activities		-	-
Proceeds from the sale of PP&E, investment property and intangible assets		(31,350)	(45,100)
Proceeds from Short Term Investments (not considered to be cash equivalents)		-	-
Proceeds from Long Term Investments		-	-
Capital Grants and Contributions Received		(102,091)	(780,729)
Other Receipts from Investing Activities		-	-
Net Cash flows from Investing Activities		4,779,226	4,952,512

e Cash flows from Financing Activities		2016/17	2015/16
		£	£
Cash Receipts from Short and Long Term Borrowing		-	1,500,000
Other Receipts from Financing Activities		-	-
Cash payments for the reduction of the outstanding liability relating to a finance lease and on-Balance Sheet PFI contracts		(28,045)	(67,878)
Repayment of Short and Long Term Borrowing		(3,589,875)	(3,846,774)
Other payments for Financing Activities		-	-
Net Cash flows from Financing Activities		(3,617,920)	(2,414,652)

25 Usable Reserves

a Capital Receipts Reserve

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

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

Capital Receipts Reserve	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		41,700	257,940
Movement			
Transfers between statutory & other reserves & the General Fund		-	-
Disposal of Non Current Assets/ Capital Sales	3,10, 24	31,350	45,100
Capital Receipts used to finance capital expenditure	3, 11	(73,050)	(261,340)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		-	-
Other Movements		-	-
At 31 March		-	41,700

b Capital Grants Unapplied account

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

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

Capital Grants Unapplied account	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		296,440	2,942,899
Movement			
Unapplied Capital Grants received in year		-	139,334
Unapplied Capital Grants transferred to CAA in year		(296,440)	(2,785,793)
At 31 March		-	296,440

c Capital Fund

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

Capital Fund	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		8,310,000	8,505,000
Transfers between statutory & other reserves & the General Fund		860,000	1,889,225
Transfers between Capital Fund & CAA to finance Capital Expenditure	11	(3,918,561)	(2,084,225)
At 31 March		5,251,439	8,310,000

	£
Fund for Legacy Ballymena Borough Council Capital Projects	3,552,214
Fund for Mid and East Antrim Borough Council Capital Projects	1,699,225
General	-
Total	5,251,439

d Renewal and Repairs Fund

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

Renewal and Repairs Fund	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		2,428,197	2,386,732
Transfers between statutory & other reserves & the General Fund		297,420	215,240
Transfers between Renewal & Repair Fund & CAA to finance Capital Expenditure	11	-	(173,775)
At 31 March		2,725,617	2,428,197

	£
General	2,725,617
Total	2,725,617

e Other Balances & Reserves

Other Balances & Reserves	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		2,257,964	1,208,447
Transfers between statutory & other reserves & the General Fund		485,000	1,049,517
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	11	-	-
At 31 March		2,742,964	2,257,964

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

f General Fund

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

General Fund	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		3,817,112	3,488,290
Applied Capital Grants	3, 22, 24	(102,091)	(641,395)
Unapplied Capital Grants received in year	3	-	(139,334)
Direct Revenue Financing	3, 11	(850,316)	(1,470,876)
Depreciation and Impairment adjustment	3	7,803,692	7,581,011
Statutory Provision for financing Capital Investment	3	(3,879,011)	(3,575,187)
Net Revenue expenditure funded from capital under statute	3, 11	3,316,550	2,069,003
Surplus/(Deficit) on the Provision of Services	CIES	(6,546,929)	(2,108,335)
Transfers between Statutory and Other Reserves and the General Fund		(1,642,420)	(3,153,982)
Net movements on Pension Reserve	3, 20	1,567,000	1,695,000
Disposal of Fixed Assets/Capital Sales	3, 10	192,734	(8,399)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		294,322	81,316
Other Movements		-	-
At 31 March		3,970,643	3,817,112

26 Unusable Reserves

a Capital Adjustment Account

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

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

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

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

Capital Adjustment Account	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		71,426,609	68,943,939
Applied Capital Grants	3, 22, 24	102,091	641,395
Unapplied Capital Grants transferred to CAA in year		296,440	2,785,793
Direct Revenue Financing	3, 11	850,316	1,470,876
Depreciation & Impairment adjustment	10	(7,803,692)	(7,581,011)
Statutory Provision for financing Capital investment	3	3,879,011	3,575,187
Net Revenue expenditure funded from Capital under statute	3, 11	(3,316,550)	(2,069,003)
Disposal of Fixed Assets/ Capital Sales	3, 10	(224,084)	(36,701)
Capital Receipts used to finance capital expenditure	3, 11	73,050	261,340
Other Movements		1,574,082	1,176,794
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure	11	3,918,561	2,258,000
At 31 March		70,775,834	71,426,609

b Financial Instruments Adjustment Account

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

c Revaluation Reserve

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

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

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

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

Revaluation Reserve	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		45,368,349	36,106,965
Revaluation & Impairment	10	21,572,902	10,438,178
Movements from associates & joint ventures		-	-
Other Movements		(1,574,082)	(1,176,794)
At 31 March		65,367,169	45,368,349

d Available for Sale Financial Instruments Reserve

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

e Pension Reserve

Pension Reserve	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		(23,862,000)	(28,155,000)
Net Movements on Pension Reserve	3, 20	(1,567,000)	(1,695,000)
Revaluation & Impairment	20	(8,855,000)	5,988,000
At 31 March		(34,284,000)	(23,862,000)

f Deferred Capital Receipts Account

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

g Accumulated Absences Account

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

Accumulated Absences Account	Notes	31/03/2017	31/03/2016
		£	£
At 1 April		(566,983)	(485,667)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements		(294,322)	(81,316)
At 31 March		(861,305)	(566,983)

27 Significant Trading Operations

The Council does not have any significant trading operations.

28 Agency Services

The Council does not provide any agency services.

29 Related Party Transactions

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

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

	31/03/2017	31/03/2016
	£	£
Arc 21	4,660,793	4,665,527
Ballee & Harryville Community Enterprise	21,539	57,012
Ballycarry & District Community Association	-	3,022
Ballymena Bid Ltd	13,422	24,623
Ballymena North Partnership	40,825	38,442
Ballymena Retailers Against Crime	10,544	8,732
Barn United Football Club	7,315	-
Broughshane Community Association	-	5,359
Carrickfergus Enterprise	41,715	38,300
Carrick Rangers Football Club	9,160	-
Causeway Coast & Glens Heritage Trust	22,965	22,000
Cithra Foundation	15,129	-
Citizens Advice Bureau	330,252	220,000
Cullybackey Development Agency PCS	7,709	-
G4s Security	-	7,149
Glenlough Community Association	5,280	4,828
Glenravel & District Community & Residents Association	6,725	-
Larne Economic Development Co (Ledcom)	-	94,365
Lough Neagh Partnership	3,500	3,500
Mid and East Antrim Agewell Partnership	51,941	31,782
Millbrook Community Association	8,986	7,095
Moyle Primary School	-	13,338
Northern Ireland Local Government Association	47,209	42,871
Northern Health & Social Care Trust	-	12,750
North Irish Dragoons Society	4,275	-
Royal Scottish Pipe Band Association	-	7,000
Somme Association	3,170	5,530
Translink	7,852	-
War Years Remembered	-	5,000
Whitehead Community Association	26,956	32,081
	5,347,262	5,350,306

Council Car Scheme

A Council Director avails of the Council Car lease scheme and made a contribution towards lease costs during the year.

Joint Committees

Arc 21

The Council is a member of the Arc21 Joint Committee which is established for the purposes of managing waste. During the year the Council made a contribution of £188k (2015/16 £195k) towards the running costs of Arc21. The Council also made payments to Arc21 of £4.3m (2015/16 £4.47m) for those waste management contracts specifically procured and managed by Arc 21 on behalf of the Council.

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

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

Ballymena Business Improvement District

Mid and East Antrim administers the debt collection including a Ballymena Bids Bank Account for Ballymena BIDS Ltd. At the 31 March 2017 the balance on this Bank account was £20,459. All transactions relating to this company are not included in the Mid and East Antrim Borough Council financial statements.

30 Prior Year Re-statement

There has been no restatements made to the accounts.

31 Events after the Reporting Period

There were no events occurring after 31 March 2017 which require adjustment to the Council's financial statements or additional disclosures.

32 Date of Authorisation for Issue

The Chief Financial Officer authorised these financial statements for issue on 25th September 2017.