



# LARNE

## Borough Council

**Financial statements**  
**For the year ended 31 March 2015**

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

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## **Explanatory Foreword**

### **Introduction**

The Council's financial performance for the year ended 31 March 2015 is as set out in the Comprehensive Income and Expenditure Statement and its financial position is as set out in the Balance Sheet and Cash Flow Statement.

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 (the Code) and the Department of the Environment Accounts Direction, Circular LG 12/15 dated 31 March 2015. It is the purpose of this foreword to explain, in an easily understandable way the financial facts in relation to the Council. Comparative figures have been re-stated to take account of changes in accounting requirements as a result of the introduction of the Code.

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

### **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. Larne 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 16, 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 17, 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 18, shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, ie those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

## **The Cash Flow Statement**

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

## **Financial Report**

For the year ended 31 March 2015 the Council decreased its General Fund reserve by £2,788 to £1,239,984. The Council's net cost of services on continuing operations for the year was £10,604,996. This includes revaluation gains of £2,086,356. Council continues to face pressures from rising costs and reduced income, leisure & recreational services income has fallen against the comparative year, however increased recycling throughout the borough has increased income within environmental services. The Council's income from District Rates was £10,142,616. Income from operations totalled £2,307,846.

New loans of £2.2m were raised to fund capital expenditure. Revenue grants of £673,389 and Capital grants of £3,179,323 were received.

Expenditure on capital projects during the year amounted to £6,044,855, the most significant spend was £4,914,468 on Gobbins Path project.

Larne Borough Council participates in the Northern Ireland Local Government Officers' Pension Fund administered by the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC). Larne Borough Councils share of the net pension Liability has increased to £6,023,000 (2013/14 £4,780,604). See note 20 for further details.

## **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. During the year up to 31 March 2015, the Chief Executive of Larne Borough Council was designated as the Chief Financial Officer. From 1 April 2015 the Chief Executive of Mid and East Antrim Borough Council was designated as the Chief Financial Officer.

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

These accounts were approved by the Audit and Scrutiny Committee of Mid and East Antrim Borough Council on 29th June 2015.

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

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

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

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

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

The Chief Financial Officer is also required to:

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

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

**Scope of Responsibility**

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

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

The Council was required to prepare an Annual Governance Statement which was consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. This statement explains how Council met the requirements of Regulation 2A of the Local Government Accounts and Audit (Amendment) Regulations (Northern Ireland 2006) in relation to the publication of a statement on internal control.

**The Purpose of the Governance Framework**

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

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

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

## The Governance Framework

The key elements of the systems and processes that comprised the Council's governance arrangements included arrangements for:

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

The Council utilised its' committee structure to support a partnership approach to business planning. It provided the opportunity for Elected Members and Officers to work together to review the vision, agree that it still met the intended outcomes and agree an action plan for achieving outcomes for the forthcoming year.

Various tools were used to communicate with constituents and service users including, but not limited to, public meetings, publications, website, social media, and press releases.

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

The Council and its various committees were provided with key performance indicators and specific reports that demonstrated how the Council was meeting its vision. The Corporate Objectives as detailed in the Corporate Plan 2008 - 2011 remain live.

Directorate and Service level plans included targets and named the responsible officers, which ensured accountability.

New policies that were developed were given a suitable review date, in order to ensure that they were still meeting the needs of the organisation.

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

In addition to the Council's Consultation Strategy, which detailed the Council's commitment to public engagement, service areas across the organisation consulted with service users and key stakeholders that identified the weaknesses and improved the quality of services.

The Council had in place a complaints procedure which provided arrangements that identified and dealt with failures in the service delivery.

Regular financial and key performance indicator (i.e. sickness absence, overtime) reports were produced and provided to the Senior Management Team and Heads of Service. Elected members were also provided with performance information at committee.

"Total", the Council's Financial Management System, provided real time financial information to Heads of Service and the Senior Management Team.

- **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.**

Standing Orders documented the roles and responsibilities of the Council and how decisions within the Council should be made. Adherence to the Standing Orders was documented through the minutes taken at meetings of the Council and its Standing Committees.

The role and responsibilities of the Council and each Standing Committee were summarised in a single document.

The Council had adopted Codes of Conduct for both Elected Members and Officers. These detailed how Councillors and Council Officers should conduct themselves and how they should interact with each other.

The Chief Executive met with Directors and Heads of Service following the monthly Council meeting. At these meetings the Chief Executive briefed the management team of the salient points covered at the Council meetings. This meeting also served as a planning of work and a place for management to discuss issues arising within their services. The Heads of Service then had meetings with their teams to share this information. This allowed for information to be channelled up the organisation and across service areas.

- **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 imposed a requirement for Councillors to observe the Code and establishes mechanisms for the investigation and adjudication of written complaints that a Councillor had failed, or may have failed, to comply with the Code.

A Staff Code of Conduct had been developed through guidance from the Department of Environment and benchmarking against best practice.

An Employee Handbook had been allocated to every member of staff which provided detail of the Council's Code of Conduct, and other policies such as the Hospitality and Gifts Policy and Anti-Fraud Policy.

During induction, staff were made aware of the standard of conduct expected and are provided with full details as to the Disciplinary and Grievance procedures. This was reiterated at Heads of Service meetings, with any issues being discussed and guidance provided by the chief executive.

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

The Council's Standing Orders had been in place since 2001, with an updated version agreed, following pilot, in October 2013. From 1 April 2015, these are replaced by the agreed Standing Orders of the new Mid and East Antrim Borough Council.

The Council had adopted a Financial Management Policy and various Financial Procedures. The policy governed the conduct of financial management by the Council and ensured that the Council had a sound system of financial control, which facilitated the effective exercise of the Council's functions.

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

Larne Borough Council established an Audit Committee in October 2008. The terms of reference for the Audit Committee provided for it to undertake all the core functions of an Audit Committee as identified in CIPFA's *Audit Committee - Practical Guidance for Local Authorities*.

The purpose of the Audit Committee was to provide effective independent assurance on the governance framework and associated internal control environment across the Council to Elected Members and the public independently of the Senior Management Team. In addition to elected representatives, the Audit Committee also had two independent members. The Audit Committee was a sub committee of the Policy and Resources Committee with its minutes being reported to a full Council meeting.



In the 2014/2015 financial year, the Audit Committee met a total of five times. Their focus across those meetings was the agreement of a schedule of work for the internal auditors, the review of the internal audit reports for 2014-15, the consideration of the corporate risk register and the presentation of the report to those charged with governance from the NIAO, which identified some areas of concern, most prominently in procurement. The Audit Committee requested an action plan to deal with the issues raised within the report, which was furnished by the Financial Controller in conjunction with the Senior Management Team.

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

The Council recognised the limits of lawful action and its general responsibilities as set out in the Local Government (NI) Act 1972 through its Standing Orders.

The Council also ensured that its expenditure was lawful through its Procurement Policy and Procedures. Training on the procedure had been provided to all staff with responsibilities in relation to procurement in order to encourage compliance and the policy clearly detailed the appropriate levels for authorisation and decision making.

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

The Council's financial management arrangements did not comply with Principle 5 "The CFO in a local authority must be professionally qualified and suitably experienced" of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government: Framework, as the Council's designated Chief Financial Officer was not a professionally qualified accountant and the role of Chief Financial Officer and Chief Executive are not separate within the Council. The arrangements presently in place are not considered to compromise the Council's financial management arrangements in any way as the Chief Financial Officer was supported by the Financial Controller, who was a fully qualified accountant, to ensure 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.

The internal audit function was outsourced and provided an independent opinion on compliance issues. On 31st March 2013, Larne Borough Council jointly tendered for renewed Audit Service provision with Ballymena Borough Council. A new Internal Audit Service Provider was appointed for the period 1st April 2013 to 31st March 2015.

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

The Whistle-Blowing Policy provided clear guidance as to how an individual could report malpractice and provided protection in doing so. The policy was made available to all staff when approved and was available on an ongoing basis on the shared server.

The Council's Complaints Procedure was made available to the public via the website and in hard copy in public areas of Council facilities. It provided clear guidance how to complain and what the Council did when a complaint was received.

A complaint received by Council in the 2012/13 to 2013/14 period is still ongoing. Council have reviewed all of the relevant paperwork and are engaging with the Town Solicitor in relation to this complaint.

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

The Council's Training Policy stated that all employees would be provided with induction training, which would be undertaken within the first three months of employment and all employees, subject to their own personal preferences, would be encouraged to undertake such training to equip them to undertake the needs determined by the Council.

Capacity training for both Elected Members and staff had been made available as part of the RPA process to equip individuals for the change in roles and responsibilities.

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

The website was the Council's main source of communication and it was their aim to make as much information as possible available within the website. Heads of Service were responsible for ensuring that the website was kept up to date.

The Council aimed to proactively publish information, in line with its Publication Scheme. Where this was not possible clear details were provided as to how an individual could request information through Freedom of Information/Environmental Information Regulations/Data Protection routes. In addition, the Council's Equality Scheme formalised consultation arrangements with S75 groups.

Partnership working with local community groups and other stakeholders was embraced by the Council and many successful projects had been completed in this way. The Council regularly consulted with the community and the consultation feedback had informed policies such as the Community Support Strategy and the Good Relations Strategy.

## Review of Effectiveness

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

Elected members took ownership of the framework when signing off the Governance Statement and Annual Accounts. The Governance Framework was a "living" document which was continually monitored and evolved to meet the changing governance environment.

The Chief Executive and Senior Management Team were responsible for ensuring that the Framework was implemented across the organisation.

In the absence of the Director of Corporate Services, Heads of Services in the Corporate Services Directorate played a key role in delivering the governance framework.

The Best Value/Policy Development Officer had been delegated responsibility for the maintenance of the framework including follow up on outstanding actions, coordination of the approach and reporting progress.

Council's Internal Audit Function was provided by an external provider. An annual internal audit plan was prepared in consultation with the Senior Management Team and Audit Committee, whilst paying attention to Council's Corporate Risk Register and prior year Internal Audit and NIAO findings and recommendations. Council's Internal Audit Plan for 2014/15 was approved by Audit Committee.

Internal Audit carried out five assurance reviews during 2014/15, of which four reviews attained Satisfactory ratings and one review "Review of Prior Year Recommendations" attained a Limited rating. Due to the fact that a significant number of the prior year recommendations were still incomplete at 31 March 2015, Council's Internal Audit Function had provided Council with an overall assurance rating in relation to its system of internal control for the 2014/15 financial year of Limited.

The work of Internal and External Audit fed into the Governance Framework for 2014/2015.

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

### Internal Audit Assurance Statement

The Assurance rating provided by the Internal Audit Function for 2014/15 was Limited. There were five assurance audits performed during the year, four of these had an overall assurance rating of Satisfactory. However, there was a Limited assurance in relation to Prior Year Recommendations which had a critical impact on the overall assurance rating.

### Prior Year Audit Recommendations

As of 31 March 2015 a significant number of Internal Audit Prior Year Recommendations remain incomplete. Two areas in particular that had been highlighted in prior years had not their action plans fully completed at the 31 March 2015.

In relation to Asset Management, work was ongoing in relation to the following aspects:

- Asset Information;
- Lease Management;
- Asset Condition; and
- Asset Purchase.

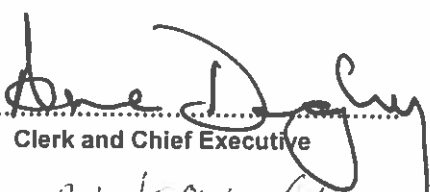
In relation to Procurement, during the course of 2014/15, the Procurement Policy was not adhered to consistently across Council and there were a number of procurement exercises that did not fully follow best practice. This was due in part to not having a Procurement Officer in a full-time post during the course of this financial year.

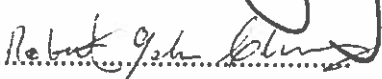
With the introduction of Mid and East Antrim Borough Council from 1 April 2015 a large number of these recommendations have since been completed, with action plans in place to complete the remaining outstanding recommendations. Internal Audit made reference to this fact within their Annual Assurance Statement for 2014/15, where they stated that "We are satisfied that the arrangements proposed by the new Council will address the issues identified".

### Local Government Reform

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

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

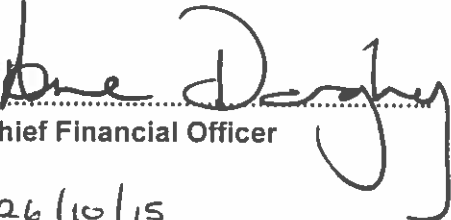
Signed .....  ..... Date ..26/10/15.....  
Clerk and Chief Executive

Signed .....  ..... Date ..26/10/15.....  
Chairman of Audit and Scrutiny Committee

## Certificate of the Chief Financial Officer

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2015 on pages 16 to 84 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 20 to 36.
- (b) in my opinion the Statement of Accounts gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year ending 31 March 2015.

  
.....  
Chief Financial Officer

26/10/15  
.....  
Date

## Council Approval of Statement of Accounts

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

..... *Robert John Johnson*  
Chairman

..... 26/10/15 .....

Date

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

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

This report is made solely to the Members of Mid and East Antrim Council in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities. Under the transitional arrangements set out in the Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations Northern Ireland) 2014, the Mid and East Antrim Council takes responsibility for the financial statements of the Larne Borough Council.

### **Respective responsibilities of the Chief Financial Officer and the independent auditor**

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2014-15, of the financial position of Larne Borough Council as at 31 March 2015 and its income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 and the Department of the Environment directions issued thereunder.

### **Opinion on other matters**

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

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

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

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

### **Certificate**

I certify that I have completed the audit of accounts of Larne 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*

*27 October 2015*



Larne Borough Council  
 Movement in Reserves Statement  
 For the current and comparative year

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

	General Fund Summary	Statutory Reserves	Other Fund Balances & Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£	£	£	£	£	£	£
<b>At 1 April 2013</b>	1,459,956	0	0	41,700	1,501,656	12,018,246	13,519,902
<b>Movement in reserves during the year</b>							
Surplus or (deficit) on the provision of services	(2,206,753)	0	0	0	(2,206,753)	0	(2,206,753)
Other Comprehensive Income and Expenditure	0	0	0	0	0	4,520,684	4,520,684
<b>Total Comprehensive Income and Expenditure</b>	<b>(2,206,753)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2,206,753)</b>	<b>4,520,684</b>	<b>2,313,931</b>
<b>Adjustments between accounting basis &amp; funding basis under regulations</b>	<b>2,252,678</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,252,678</b>	<b>(2,252,678)</b>	<b>0</b>
<b>Net Increase/Decrease before Transfers to Statutory and Other Reserves</b>	<b>45,925</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>45,925</b>	<b>2,268,006</b>	<b>2,313,931</b>
Transfers to/from Statutory and Other Reserves	(263,109)	0	263,109	0	0	0	0
<b>Increase/Decrease in Year</b>	<b>(217,184)</b>	<b>0</b>	<b>263,109</b>	<b>0</b>	<b>45,925</b>	<b>2,268,006</b>	<b>2,313,931</b>
<b>At 31 March 2014</b>	<b>1,242,772</b>	<b>0</b>	<b>263,109</b>	<b>41,700</b>	<b>1,547,581</b>	<b>14,286,252</b>	<b>15,833,833</b>
<b>Movement in reserves during the year</b>							
Surplus or (deficit) on provision of services	2,192,946	0	0	0	2,192,946	0	2,192,946
Other Comprehensive Income and Expenditure	0	0	0	0	0	634,484	634,484
<b>Total Comprehensive Income and Expenditure</b>	<b>2,192,946</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,192,946</b>	<b>634,484</b>	<b>2,827,430</b>
<b>Adjustments between accounting basis &amp; funding basis under regulations</b>	<b>(2,403,877)</b>	<b>0</b>	<b>2,903,593</b>	<b>0</b>	<b>499,717</b>	<b>(499,717)</b>	<b>0</b>
<b>Net Increase/Decrease before Transfers to Statutory and Other Reserves</b>	<b>(210,930)</b>	<b>0</b>	<b>2,903,593</b>	<b>0</b>	<b>2,692,663</b>	<b>134,768</b>	<b>2,827,430</b>
Transfers to/from Statutory and Other Reserves	208,143	0	(208,143)	0	0	0	0
<b>Increase/Decrease in Year</b>	<b>(2,787)</b>	<b>0</b>	<b>2,695,450</b>	<b>0</b>	<b>2,692,663</b>	<b>134,768</b>	<b>2,827,430</b>
<b>At 31 March 2015</b>	<b>1,239,985</b>	<b>0</b>	<b>2,958,559</b>	<b>41,700</b>	<b>4,240,244</b>	<b>14,421,020</b>	<b>18,661,263</b>

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

Larne Borough Council  
Comprehensive Income and Expenditure Statement for the year ended 31 March 2015

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

	Notes	2014/15		2013/14	
		Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
Services Expenditure					
Leisure and Recreational Services		4,498,123	978,589	4,602,526	1,009,098
Environmental Services		5,872,944	903,372	5,526,860	748,433
DRM and Corporate Management		1,444,016	134,285	3,794,531	59,051
Other Services		1,097,759	291,600	1,089,224	378,516
Cost of Services on Continuing Operations	4-6	12,912,842	2,307,846	15,303,161	2,196,098
Other Operating Expenditure	7	0	0	0	0
Financing and Investment Income and Expenditure	8	1,310,106	112,720	1,288,049	79,240
Surplus or Deficit on Discontinued Operations		0	0	0	0
Net Operating Expenditure		14,222,948	2,420,566	16,592,210	2,275,338
Taxation and Non-Specific Grant Income	9	0	13,995,328	0	12,110,119
Surplus/(Deficit) on the Provision of Services		14,222,948	16,415,894	16,592,210	14,385,457
Surplus/(Deficit) on revaluation of non-current assets	10a/10b/10d			2,192,946	(2,206,753)
Impairment losses on non-current assets charged to the Revaluation Reserve	10a/10b/10d			1,528,484	2,950,684
Surplus/(Deficit) arising on revaluation of available-for-sale financial assets	25a/25b			0	0
Remeasurements of the Net Defined Benefit Liability (Asset)	20			(694,000)	1,570,000
Other Comprehensive Income and Expenditure				634,484	4,520,664
Total Comprehensive Income and Expenditure				2,827,430	2,313,931

Larne Borough Council  
Balance Sheet As At 31 March 2015

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

	Notes	2014/15 £	2013/14 £
Property Plant & Equipment (PP&E)	10a/10b	44,361,814	37,761,352
Land & Buildings	10a/10b	35,840,514	34,336,039
Infrastructure Assets	10a/10b	0	0
Landfill Site	10a/10b	0	0
Vehicles, Plant, Furniture and Equipment	10a/10b	1,261,251	1,496,718
Community Assets	10a/10b	8	8
PP&E under Construction	10a/10b	7,200,041	1,948,586
Non-Operational Assets	10a/10b	60,000	0
Heritage Assets	10d	178,000	178,000
Investment Properties	10a/10b	0	0
Intangible Assets	10a/10b	6,255	6,255
Assets Held for Sale	10e	0	0
Long Term Investments	15a	0	0
Investment in Associates and Joint Ventures		0	0
Long Term Debtors	14a	0	0
<b>LONG TERM ASSETS</b>		<b>44,546,069</b>	<b>37,965,607</b>
Short Term Investments	15b	0	0
Inventories	13	77,886	79,919
Short Term Debtors	14b	2,179,567	2,300,617
Cash and Cash Equivalents	24b	735,030	985,966
Assets Held for Sale	10e	0	40,000
<b>CURRENT ASSETS</b>		<b>2,992,483</b>	<b>3,406,502</b>
Bank Overdraft		0	0
Short Term Borrowing	16a	1,018,117	901,269
Short Term Creditors	17a	1,955,836	1,471,530
Provisions	18	26,862	0
Liabilities in Disposal Groups		0	0
<b>CURRENT LIABILITIES</b>		<b>3,000,815</b>	<b>2,372,799</b>
Long Term Creditors	17b	0	0
Provisions	18	0	0
Long Term Borrowing	16b	19,853,472	18,384,868
Other Long Term Liabilities	5,20	6,023,000	4,780,604
Donated Assets Account	21	0	0
Capital Grants Receipts in Advance	22	0	0
<b>LONG TERM LIABILITIES</b>		<b>25,876,472</b>	<b>23,165,471</b>
<b>NET ASSETS</b>		<b>18,661,263</b>	<b>15,833,838</b>
<b>USABLE RESERVES</b>			
Capital Receipts Reserve	CRR 25a/25b	4,240,244	1,547,581
Capital Grants Unapplied Account	25a/25b	41,700	41,700
Capital Fund	25a/25b	2,903,593	0
Capital Fund	25a/25b	0	0
Single Status Appeal Fund	25a/25b	54,966	232,669
Reform Transition Fund	25a/25b	0	30,440
General Fund	Gen Fd 25a/25b	1,239,985	1,242,772
<b>UNUSABLE RESERVES</b>			
Capital Adjustment Account	CAA 25a/25b	14,421,020	14,286,252
Financial Instruments Adjustment Account	25a/25b	12,481,166	12,534,604
Revaluation Reserve	25a/25b	0	0
Available for Sale Financial Instruments Reserve	25a/25b	8,033,785	6,609,827
Pensions Reserve	25a/25b	0	0
Capital Receipts Deferred Account	25a/25b	(6,023,000)	(4,780,604)
Accumulated Absences Account	25a/25b	0	0
Landfill Regulations Reserve	25a/25b	(70,931)	(77,575)
Provisions Discount Rate Reserve	25a/25b	0	0
<b>NET WORTH</b>		<b>18,661,263</b>	<b>15,833,838</b>

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

**Larne Borough Council**  
**Cash Flow Statement at 31 March 2015**

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

	Notes	2014/15 £	2013/14 £
<b>Net (surplus) or deficit on the provision of services</b>		2,192,946	(2,206,753)
Adjustment to surplus or deficit on the provision of services for noncash movements	24a)	2,015,521	4,322,570
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	24a)	(3,179,323)	(1,460,151)
		<hr/>	<hr/>
<b>Net cash flows from operating activities</b>		<b>1,029,144</b>	<b>655,666</b>
<b>Net Cash flows from Investing Activities</b>	24d)	<b>(2,865,532)</b>	<b>(1,879,504)</b>
<b>Net Cash flows from Financing Activities</b>	24e)	<b>1,585,451</b>	<b>1,704,040</b>
<b>Net increase or decrease in cash and cash equivalents</b>		<b>(250,937)</b>	<b>480,202</b>
Cash and cash equivalents at the beginning of the reporting period	24b)	985,966	505,764
<b>Cash and cash equivalents at the end of the reporting period</b>	24b)	<b><u>735,030</u></b>	<b><u>985,966</u></b>

## Larne Borough Council Notes to the Financial Statements

### 1a Accounting Policies

#### General Principles

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

#### Summary of Significant Accounting Policies

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

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

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

No provisions have been made in the 2014-15 financial year.

### iii) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in up to three months from the date of the Balance Sheet, not later than 30 June and readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management. Bank overdrafts are shown within current liabilities on the Balance Sheet.

### iv) Contingent Assets

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

### v) Contingent Liabilities

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

### vi) Discontinued Operations

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

### vii) Employee Benefits

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

#### Termination benefits

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

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

## **Post Employment Benefits**

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

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

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

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

Liabilities are discounted to their value at current prices, using a discount rate of 3.2% (based on the indicative rate of return on high quality corporate bonds on the iBoxx Sterling Corporate Index, AA over 15 years with recently re-rated bonds removed from the index).

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

#### **Discretionary Benefits**

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

#### **ix) Events After the Balance Sheet Date**

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

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

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

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

### Loans and Receivables

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

### **xiii) Foreign Currency Translation**

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

### **xiv) Government Grants and Contributions**

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

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

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

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

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

#### **xv) Intangible Assets**

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

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

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

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

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the District Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £1k) the Capital Receipts Reserve.

#### **xvi) Inventories & Long Term Contracts**

Inventories are included in the Balance Sheet on the basis of latest invoice price. This is not materially different from valuation on a First in First Out (FIFO) basis as recommended by International Accounting Standards (IAS2).

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

#### **xvii) Investment Property**

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

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

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

**xviii) Landfill Allowance Schemes**

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

**xix) Leases**

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

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

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

### *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).

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

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

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

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

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

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

## xxi) Overheads and Support Services

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

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

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

## xxii) Property, Plant and Equipment

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

### Recognition

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

### Measurement

Assets are initially measured at cost, comprising:

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

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

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition will not increase the cash flows of the Council. In the latter case, where the asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

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 and subsequent Revaluations at 1 April 2013 and 31 March 2014. Gains arising before 1 April 2008 have been consolidated into the Capital Adjustment Account.

#### Impairment

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

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

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

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

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

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

#### Depreciation

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

Depreciation is calculated on the following bases:

- vehicles, plant and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer

- infrastructure – straight-line allocation over 15 to 60 years.

It is Larne Borough Council's policy not to charge depreciation in the year of purchase and to charge 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.

## **xxiii) Heritage Assets**

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

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

## **xxiv) Provisions**

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

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

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

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

## **xxv) Reserves**

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

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

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

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

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

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

## **xxvii) Revenue Expenditure Funded from Capital under Statute**

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

## **xxviii) Value Added Tax**

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

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

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

### **IFRS 13 Fair Value Measurement (2011)**

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

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

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

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

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

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

### **Annual Improvements cycles 2010 - 2012 and 2011 - 2013.**

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

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

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

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

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

**1c Critical Judgements in Applying Accounting Policies**

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

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

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

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

*i) Property, Plant and Equipment*

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

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

*ii) Pensions Liability*

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

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

2a Segmental Reporting Analysis - Current Year

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

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

[Comparative disclosures are reported in Note 2b]

Services	2014/15		
	Gross Expenditure	Gross Income	Net Expenditure/(Income)
	£	£	£
Culture and Heritage	137,047	16,495	120,552
Recreation and Sport	3,133,770	768,653	2,365,117
Tourism	848,258	28,395	819,863
Community Services	379,048	165,046	214,002
<b>Leisure and Recreational Services</b>	<b>4,498,123</b>	<b>978,589</b>	<b>3,519,534</b>
Cemetery, Cremation and Mortuary	527,405	133,617	393,788
Environmental Health	544,824	190,924	353,900
Flood Defence and Land Drainage	0	0	0
Public Conveniences	281,964	250	281,714
Licensing	49,089	20,819	28,270
Other Cleaning	515,481	10,824	504,657
Waste Collection	2,240,730	177,203	2,063,527
Waste Disposal	1,366,038	138,627	1,227,411
Building Control	319,544	225,554	93,990
Other Community Assets	0	0	0
Minor Works	27,869	5,554	22,315
<b>Environmental Services</b>	<b>5,872,944</b>	<b>903,372</b>	<b>4,969,572</b>
Democratic Representation and Management	486,375	3,787	482,588
Corporate Management	957,641	130,498	827,143
<b>DRM and Corporate Management</b>	<b>1,444,016</b>	<b>134,285</b>	<b>1,309,731</b>
Economic Development	513,990	175,371	338,619
Trading Services	491,813	107,231	384,582
Non Distributed Costs	0	0	0
Central Services to the Public	264,760	116,229	148,531
<b>Other Services</b>	<b>1,270,563</b>	<b>398,831</b>	<b>871,732</b>
<b>CONTINUING OPERATIONS</b>	<b>13,085,646</b>	<b>2,415,077</b>	<b>10,670,569</b>

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

2a Segmental Reporting Analysis - Current Year

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

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

	£	£
<b>Net Cost of Services in Service Analysis</b>		<b>10,670,569</b>
<i>Items excluded from Service Analysis:</i>		
Add amounts not reported in Service Analysis but included in Net Cost of Services in Comprehensive Income and Expenditure Statement	0	
Remove amounts reported in Service Analysis but not included in Net Cost of Services in Comprehensive Income and Expenditure Statement	<u>(65,573)</u>	<u>(65,573)</u>
<b>Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement</b>		<b>10,604,996</b>
<i>Items included in Net Operating Expenditure excluded from Service Analysis:</i>		
Other Operating Expenditure	0	
Financing and Investment Income and Expenditure	1,197,386	
Surplus or Deficit on Discontinued Operations	0	<u>1,197,386</u>
<b>Net Operating Expenditure per the Comprehensive Income and Expenditure Statement</b>		<b><u>11,802,382</u></b>

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

2b Segmental Reporting Analysis - Comparative Year

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

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

Services	2013/14		
	Gross Expenditure	Gross Income	Net Expenditure/(Income)
	£	£	£
Culture and Heritage	182,391	12,010	170,381
Recreation and Sport	3,368,465	761,817	2,606,648
Tourism	745,647	40,129	705,518
Community Services	596,023	195,142	400,881
<b>Leisure and Recreational Services</b>	<b>4,892,526</b>	<b>1,009,098</b>	<b>3,883,428</b>
Cemetery, Cremation and Mortuary	490,957	85,768	405,189
Environmental Health	485,551	104,541	381,010
Flood Defence and Land Drainage	0	0	0
Public Conveniences	204,019	253	203,766
Licensing	55,755	25,564	30,191
Other Cleaning	385,136	6,978	378,158
Waste Collection	2,293,400	159,857	2,133,543
Waste Disposal	1,253,232	185,720	1,067,512
Building Control	350,139	179,752	170,387
Other Community Assets	0	0	0
Minor Works	8,692	0	8,692
<b>Environmental Services</b>	<b>5,526,880</b>	<b>748,432</b>	<b>4,778,448</b>
Democratic Representation and Management	414,049	7,495	406,554
Corporate Management	3,380,482	51,556	3,328,926
<b>DRM and Corporate Management</b>	<b>3,794,531</b>	<b>59,051</b>	<b>3,735,480</b>
Economic Development	487,532	226,622	260,910
Trading Services	316,547	71,343	245,204
Non Distributed Costs	196,000	0	196,000
Central Services to the Public	224,906	152,894	72,012
<b>Other Services</b>	<b>1,224,985</b>	<b>450,859</b>	<b>774,126</b>
<b>CONTINUING OPERATIONS</b>	<b>15,438,923</b>	<b>2,267,440</b>	<b>13,171,482</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

	£	£
<b>Net Cost of Services in Service Analysis</b>		<b>13,171,482</b>
<i>Items excluded from Service Analysis:</i>		
Add amounts not reported in Service Analysis but included in Net Cost of Services in the Comprehensive Income and Expenditure Statement	0	
Remove amounts reported in Service Analysis but not included in Net Cost of Services in the Comprehensive Income and Expenditure Statement	(64,419)	
		<u>(64,419)</u>
<b>Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement</b>		<b>13,107,063</b>
<i>Items included in Net Operating Expenditure excluded from Service Analysis:</i>		
Other Operating Expenditure	0	
Financing and Investment Income and Expenditure	1,209,809	
Surplus or Deficit on Discontinued Operations	0	
		<u>1,209,809</u>
<b>Net Operating Expenditure per the Comprehensive Income and Expenditure Statement</b>		<b>14,316,872</b>

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

3a Adjustments between accounting basis and funding basis under regulations

	Notes	2014/15 £	2014/15 £	2013/14 £	2013/14 £
<b>Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:</b>					
Impairments (losses & reversals) of non-current assets	10a/b & 10d/e	0		47,309	
Derecognition (other than disposal) of non-current assets	10a/b & 10d/e	39,104		98,648	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	10a/b & 10d/e	(557,872)		2,609,142	
Depreciation charged in the year on non-current assets	10a/10b,23	1,551,644	1,032,876	1,587,249	4,342,348
Net Revenue expenditure funded from capital under statute			287,489		0
Carrying amount of non current assets sold	10a/b & 10d/e	0		0	
Proceeds from the sale of PP&E, investment property and intangible assets	23,25	0	0	0	0
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	25		0		0
Net charges made for retirement benefits in accordance with IAS 19	20		1,161,000		1,187,000
Direct revenue financing of Capital Expenditure	11,25		0		(218,001)
Capital Grants and Donated Assets Receivable and Applied in year	9b		(275,730)		(1,460,151)
Capital Grants Receivable and Unapplied in year	9c		(2,903,593)		0
Rates Claw-Back Reserve	25a/25b		0		
Adjustments in relation to Short-term compensated absences	17		(6,644)		14,312
Adjustments in relation to Lessor Arrangements			0		0
Landfill Regulations Reserve Adjustment	25a/25b		0		0
Provisions Discount Rate Reserve Adjustment	25a/25b		0		0
<b>Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year</b>					
Statutory Provision for the financing of Capital Investment	25a/25b		(886,670)		(867,830)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	20a		(812,604)		(745,000)
			<b>(2,403,877)</b>		<b>2,252,678</b>

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

		2014/15 £	2014/15 £	2013/14 £	2013/14 £
<b>RESTATED</b>					
<b>Capital Fund</b>					
Interest		0		0	
Other	25a/25b		0	0	0
<b>Single Status Fund</b>					
Interest		0		0	
Other	25a/25b	177,703	177,703	(232,669)	(232,669)
<b>Other Funds and earmarked reserves</b>					
Interest		0		0	
Other	25a/25b	30,440	30,440	(30,440)	(30,440)
			<b>208,143</b>		<b>(263,109)</b>

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

**Cost of Services on Continuing Operations**

**4a Miscellaneous powers to make payments**

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

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

Limits on special payments are calculated by reference to section 40 of the Local Government Finance Act (Northern Ireland) 2011 and for this council the resulting limit was £22,083 for 2014/15 (£21,652 in 2013/14).

The Actual expenditure during 2014/15 amounted to £22,083, (£21,652 in 2013/14).

**4b External Audit Fees**

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

	2014/15	2013/14
	£	£
External Audit Fees	30,000	25,000
External Audit Fees 2012/13	0	19,476
Grant Claim Certification Fees	0	0
	<b>30,000</b>	<b>44,476</b>

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

Larne Borough Council  
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Cost of Services on Continuing Operations (Continued)

5 Operating and Finance Leases

**Council as Lessor:**

5a *Finance Leases (Council as lessor)*

The Council has no assets generating income on finance lease(s).

5b *Operating Leases (Council as lessor)*

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

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

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £71,413 (previous year: £88,892). No contingent rents were recognised.

The lease terms are between 2 and 99 years. Future minimum lease income is set out below:

	2015		2014	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease rentals receivable				
No later than 1 year	73,394	0	64,928	
Later than 1 year and no later than 5 years	235,513	0	164,904	
Later than 5 years	226,354	0	226,512	
	535,261	0	456,344	0

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

	2015		2014	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Cost	4,445,834	0	5,766,669	0
Accumulated depreciation and impairments at 1 April	0	0	(650,905)	0
Additions	112,674	0	42,901	0
Depreciation charge for the year	(116,896)	0	(100,950)	0
Impairments	248,023		(150,064)	
	4,689,635	0	4,907,651	0

**Council as Lessee:**

**5c Finance Leases (Council as lessee)**

The Council has not acquired assets on finance leases.

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

The Council has acquired its office copiers and printers by entering into operating leases with typical lives of 4-5 years. The council has also acquired land (five locations) on payment of annual rents to Crown estates.

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

	2014/15		2013/14	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease payments	31,397	5,541	31,368	4,988
Contingent rentals	0	0	0	0
Less: Sublease payments receivable	0	0	0	0
	<b>31,397</b>	<b>5,541</b>	<b>31,368</b>	<b>4,988</b>

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

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

	2015		2014	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease rentals payable:				
No later than 1 year	43,668	5,340	31,368	4,988
Later than 1 year and no later than 5 years	24,131	1,504	25,638	4,354
Later than 5 years	102,848	0	64,095	0
	<b>170,646</b>	<b>6,844</b>	<b>121,101</b>	<b>9,342</b>

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Cost of Services on Continuing Operations (Continued)

6 Employee Costs and Members' Allowances

6a Staff Costs

	2014/15	2013/14
	£	£
Salaries and wages	4,604,298	4,542,676
Employers National Insurance	307,612	319,845
Employers pension costs	775,407	687,626
<b>Total</b>	<b>5,687,317</b>	<b>5,550,147</b>

In addition, agency costs after accruals during the year amounted to £234,886 (2013/14: £198,268).

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

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

	2014/15	2013/14
	FTE	FTE
Environmental services	78	76
Leisure services	26	24
Other	67	67
<b>Total Number</b>	<b>171</b>	<b>167</b>
	Actual Numbers	Actual Numbers
Full-time numbers employed	168	161
Part-time numbers employed	53	62
<b>Total Number</b>	<b>221</b>	<b>223</b>

**6c Senior Employees' Remuneration**

	2014/15	2013/14
£50,001 to £60,000	0	0
£60,001 to £70,000	2	2
£70,001 to £80,000	1	0
£80,001 to £90,000	1	1
£90,001 to £100,000	0	0
£100,001 to £110,000	1	0
<b>Total Number</b>	<b>5</b>	<b>3</b>

**6d Members' Allowances**

During the year Members' allowances (paid under Part 3, Sections 31 to 36 of the Local Government Finance Act (NI) 2011), including Employer's costs, totalled £449,336 (2013/14 £365,665) and are as follows:

	2014/15	2013/14
	£	£
Salaries	102,599	93,754
Basic allowance	127,710	147,530
Mayor's & Deputy Mayor's Allowance	7,400	7,400
Special Responsibility Allowances	20,819	22,385
Dependents' carers allowance	0	0
Statutory Transition Committee Allowances	2,250	9,000
Employer costs	31,209	39,750
Mileage	11,638	15,845
Conferences and Courses	4,813	5,365
Travel & Subsistence Costs	0	0
Miscellaneous Costs	18,298	24,636
Severance Payments *	122,600	0
<b>Total</b>	<b>449,336</b>	<b>365,665</b>

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

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6e Exit Packages

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

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	
£0 to £20,000	0	0	0	0	4	0	3,937
£20,001 to £40,000	0	0	1	0	1	0	26,667
£40,001 to £60,000	0	0	0	0	0	0	0
£60,001 to £80,000	0	0	0	0	0	0	0
£80,001 to £100,000	0	0	0	0	0	0	0
£100,001 to £150,000	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>30,604</b>



**Larne Borough Council  
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**7 Other Operating Expenditure**

	2014/15	2013/14
	£	£
Surplus/Deficit on Non-Current Assets	0	0
Other Operating Income/Expenditure	0	0
<b>Total Other Operating expenditure</b>	<b>0</b>	<b>0</b>

## 8 Financing and Investment Income and Expenditure

	2014/15			2013/14		
	Gross Expenditure	Gross Income	Net Cost	Gross Expenditure	Gross Income	Net Cost
	£	£	£	£	£	£
Interest Payable and Similar Charges	950,302	0	950,302	899,287	0	899,287
Interest and Investment Income	0	5,489	(5,489)	0	7,897	(7,897)
Pensions interest cost	187,000	0	187,000	254,000	0	254,000
Surplus/(Deficit) on trading operations	172,804	107,231	65,573	135,762	71,343	64,419
Changes in Fair Value of Investment Properties	0	0	0	0	0	0
Other investment income	0	0	0	0	0	0
	<b>1,310,106</b>	<b>112,720</b>	<b>1,197,386</b>	<b>1,289,049</b>	<b>79,240</b>	<b>1,209,809</b>

## 9 Taxation and Non-Specific Grant Income

	2014/15	2013/14
	£	£
District Rates Income	10,142,616	9,885,965
Revenue Grants	673,389	764,004
Capital Grants and Contributions	3,179,323	1,460,151
<b>Total Taxation and Non-Specific Grant Income</b>	<b>13,995,328</b>	<b>12,110,120</b>

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10a Long-Term Assets Note - Current Year

	Property, Plant & Equipment (PPE)										Intangible Assets	Investment Properties	TOTAL
	Land	Buildings	Infrastructure Assets	Landfill Site	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Non Operational Assets	Total PP&E				
£	£	£	£	£	£	£	£	£	£	£	£	£	£
Cost or Valuation At 1 April 2014	7,854,005	26,775,085	0	0	6,051,591	6	1,959,594	0	42,639,284	0	6,255	0	42,645,539
Adjustments between cost value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	7,854,005	26,775,085	0	0	6,051,591	6	1,959,594	0	42,639,284	0	6,255	0	42,645,539
Additions (Note 11)	0	369,901	0	0	279,716	0	5,335,238	60,000	6,044,955	0	0	0	6,044,955
Donations	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation increases/decreases to Revaluation Reserve	0	1,528,484	0	0	0	0	0	0	1,528,484	0	0	0	1,528,484
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	0	557,872	0	0	0	0	0	0	557,872	0	0	0	557,872
Derecognition - Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0
Derecognition - Other	0	0	0	0	0	0	(39,104)	0	(39,104)	0	0	0	(39,104)
Reclassifications & Transfers	0	44,678	0	0	0	0	(44,678)	0	0	0	0	0	0
Reclassified to Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0	0
Reclassified from Held for Sale	40,000	0	0	0	0	0	0	0	40,000	0	0	0	40,000
Adjustment-Landfill Deferred Charge (Note 18)	0	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2015	7,894,005	28,276,021	0	0	8,331,307	6	7,210,049	60,000	50,771,390	0	6,255	0	50,777,646
Depreciation and Impairment	0	293,051	0	0	4,554,873	0	10,008	0	4,857,932	0	0	0	4,857,932
Adjustments between cost value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	0	293,051	0	0	4,554,873	0	10,008	0	4,857,932	0	0	0	4,857,932
Depreciation Charge	0	1,036,481	0	0	515,183	0	0	0	1,551,644	0	0	0	1,551,644
Depreciation written out on Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0	0
Derecognition - Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0
Derecognition - Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Reclassifications & Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0
Eliminated on reclassification to Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2015	0	1,229,512	0	0	5,070,056	0	10,008	0	6,409,576	0	0	0	6,409,576
Net Book Value	7,894,005	27,046,509	0	0	1,261,251	6	7,200,041	60,000	44,361,814	0	6,255	0	44,368,070
At 31 March 2014	7,854,005	26,482,034	0	0	1,486,718	6	1,944,566	0	37,781,352	0	6,255	0	37,787,607

Intangible Assets

Larne Borough Council also owns Intangible Assets which relate solely to software rights. These assets are not amortised.

Valuations

The last valuation of freehold and leasehold properties was carried out as at 31 March 2014 (concurrently with a revaluation at 1 April 2013) by an independent valuer from Land and Property Services

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10b Long-Term Assets Note - Comparative Year

	Land		Buildings		Infrastructure Assets		Landfill Site		Property, Plant & Equipment (PP&E)		Community Assets		PP&E Under Construction		Surplus Assets		Total PP&E		Investment Properties		Intangible Assets		TOTAL		
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Cost or Valuation At 1 April 2013	7,929,305	31,766,314	0	0	6,002,969	0	0	0	0	0	0	0	0	811,164	0	0	0	46,509,760	0	0	0	0	0	46,516,015	
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Adjusted opening balance	7,929,305	31,766,314	0	0	6,002,969	0	0	0	0	0	0	0	0	811,164	0	0	0	46,509,760	0	0	0	0	0	46,516,015	
Additions (Note 11)	0	993,999	0	0	48,622	0	0	0	0	0	0	0	0	1,264,459	0	0	0	2,307,080	0	0	0	0	0	2,307,080	
Donations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Revaluation increases/decreases to	553,857	(3,983,424)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(3,429,567)	0	0	0	0	0	(3,429,567)	
Revaluation Reserve																									
Revaluation increases/decreases to	(216,469)	(2,392,673)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(2,609,142)	0	0	0	0	0	(2,609,142)	
Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Derecognition - Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Derecognition - Other	0	(98,648)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Reclassifications & Transfers	(372,486)	489,517	0	0	0	0	0	0	0	0	0	0	0	(117,029)	0	0	0	(98,648)	0	0	0	0	0	(98,648)	
Redescribed to Held for Sale	(40,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Redescribed from Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(40,000)	0	0	0	0	0	(40,000)	
Adjustment - Langhill Deferred Charge (Note 18)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
At 31 March 2014	7,654,005	26,775,085	0	0	6,051,591	0	0	0	0	1,958,594	0	0	0	1,958,594	0	0	0	42,639,283	0	0	0	0	0	42,645,538	
Depreciation and Impairment	0	5,620,865	0	0	3,992,021	0	0	0	0	0	0	0	0	0	0	0	0	9,612,884	0	0	0	0	0	9,612,884	
At 1 April 2013	0	5,620,865	0	0	3,992,021	0	0	0	0	0	0	0	0	0	0	0	0	9,612,884	0	0	0	0	0	9,612,884	
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Adjusted opening balance	0	5,620,865	0	0	3,992,021	0	0	0	0	0	0	0	0	0	0	0	0	9,612,884	0	0	0	0	0	9,612,884	
Depreciation Charge	0	1,024,397	0	0	562,852	0	0	0	0	0	0	0	0	0	0	0	0	1,587,249	0	0	0	0	0	1,587,249	
Depreciation written out on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Depreciation written out on	(6,342,201)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(6,342,201)	0	0	0	0	0	(6,342,201)	
Revaluation taken to Surplus or	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Impairment losses/reversals to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Impairment losses/reversals to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Derecognition - Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Derecognition - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Reclassifications & Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Eliminated on reclassification to	(10,000)	0	0	0	0	0	0	0	0	0	0	0	0	10,000	0	0	0	0	0	0	0	0	0	0	
Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
At 31 March 2014	0	293,051	0	0	4,554,073	0	0	0	0	10,000	0	0	0	10,000	0	0	0	4,857,932	0	0	0	0	0	4,857,932	
Net Book Value	7,654,005	26,482,084	0	0	1,496,718	0	0	0	0	1,948,546	0	0	0	1,948,546	0	0	0	37,781,352	0	0	0	0	0	37,781,352	
At 31 March 2013	7,929,305	26,146,463	0	0	2,910,948	0	0	0	0	811,164	0	0	0	811,164	0	0	0	36,896,876	0	0	0	0	0	36,903,131	

Intangible Assets  
Lame Borough Council also owns intangible Assets which relate solely to software rights. These assets are not amortised.

Valuations

The last valuation of freehold and leasehold properties was carried out as at 31 March 2014 (concurrently with a revaluation at 1 April 2013) by an independent valuer from Land and Property Services.

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

Larne Borough Council has no Leased Assets

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Heritage Assets

10d

	Art Collection £	Ceremonial Dress £	Other £	Total Assets £
<b>Cost or Valuation</b>				
At 1 April 2013	79,750	62,000	45,309	187,059
Additions	0	0	0	0
Disposals	0	0	0	0
Derecognition - Other	0	0	0	0
Revaluation Increases/(Decreases) to Revaluation Reserve	35,500	2,355	395	38,250
Revaluation Increases/(Decreases) to Surplus or Deficit on the Provision of Services	0	0	0	0
Impairment (Losses)/Reversals recognised in the Revaluation Reserve	0	0	0	0
Impairment (Losses)/Reversals recognised in Surplus or Deficit on the Provision of Services	(1,500)	(29,015)	(16,794)	(47,309)
<b>At 31 March 2014</b>	<b>113,750</b>	<b>35,340</b>	<b>28,910</b>	<b>178,000</b>
<b>Cost or Valuation</b>				
At 1 April 2014	113,750	35,340	28,910	178,000
Additions	0	0	0	0
Disposals	0	0	0	0
Derecognition - Other	0	0	0	0
Revaluation Increases/(Decreases) to Revaluation Reserve	0	0	0	0
Revaluation Increases/(Decreases) to Surplus or Deficit on the Provision of Services	0	0	0	0
Impairment (Losses)/Reversals recognised in the Revaluation Reserve	0	0	0	0
Impairment (Losses)/Reversals recognised in Surplus or Deficit on the Provision of Services	0	0	0	0
<b>At 31 March 2015</b>	<b>113,750</b>	<b>35,340</b>	<b>28,910</b>	<b>178,000</b>

The Council's collection of heritage items is reported in the balance sheet, during the previous four accounting periods the value would have been:

2010/2011	£151,509
2011/2012	£185,109
2012/2013	£187,059
2013/2014	£178,000
2014/2015	£178,000

The collection includes a number of items which are of particular historical and cultural interest to Larne. Among these items are a number of art works including a portrait of Sir Thomas and Lady Edith Dixon, a portrait of Sir Thomas J Dixon and a watercolour entitled "Lough & The Town of Larne".

In addition to the art work the Council also owns a model of the Princess Victoria. The Princess Victoria was one of the earliest roll-on/roll-off ferries which operated from 1947 between Stranraer and Larne. Tragically it sunk on 31 January 1953 with the loss of 133 lives. This model is of great significance to the Borough.

Larne Borough Councils heritage assets were revalued at 31st March 2014 by Mr Mark Donnelly, Fine Art Consultant.

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10e Assets Held for Sale

At 31 March 2015	Assets Held for Sale-Current	Assets Held for Sale-Non-current	TOTAL
	£		£
<b>Cost or Valuation</b>			
At 1 April 2014	40,000	0	40,000
Transferred from Non-Current Assets during year	0	0	0
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	0	0	0
Derecognition - Disposals	0	0	0
Derecognition - Other	0	0	0
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	0	0	0
Transferred to Property, Plant & Equipment during year	(40,000)	0	(40,000)
<b>At 31 March 2015</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Impairment</b>			
At 1 April 2014	0	0	0
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	0	0	0
Derecognition - Disposals	0	0	0
Derecognition - Other	0	0	0
Reclassified from Current Assets Held for Sale to non current Assets Held for Sale	0	0	0
Transferred to Property, Plant & Equipment during year	0	0	0
<b>At 31 March 2015</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Book Value</b>			
At 31 March 2015	0	0	0
At 31 March 2014	40,000	0	40,000

The planned sale of Lane at Cairndhu fell through during the year and as a result of this non sale this land has been transferred back into Property, Plant & Equipment.

**Comparative Year**

<b>At 31 March 2014</b>	<b>Assets Held for Sale-Current</b>	<b>Assets Held for Sale-Non-current</b>	<b>TOTAL</b>
	<b>£</b>		<b>£</b>
<b>Cost or Valuation</b>			
At 1 April 2013	0	0	0
Transferred from Non-Current Assets during year	40,000	0	40,000
Revaluation increases/decreases taken to Surplus or Deficit on the Provision of Services	0	0	0
Derecognition - Disposals	0	0	0
Derecognition - Other	0	0	0
Transferred to to Property, Plant & Equipment during year		0	0
<b>At 31 March 2014</b>	<b>40,000</b>	<b>0</b>	<b>40,000</b>
<b>Impairment</b>			
At 1 April 2013	0	0	0
Impairment losses/reversals taken to Surplus or Deficit on the Provision of Services	0	0	0
Derecognition - Disposals	0	0	0
Derecognition - Other	0	0	0
Transferred to to Property, Plant & Equipment during year	0	0	0
<b>At 31 March 2014</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Book Value</b>			
<b>At 31 March 2014</b>	<b>40,000</b>	<b>0</b>	<b>40,000</b>
<b>At 31 March 2013</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Council intends to sell of a piece of land at Cairndhu that it no longer uses. The sale is expected to take place within the next 8 months.

**10f Investment Properties**

Larne Borough Council have no Investment Properties at the balance sheet date.



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11 Capital Expenditure and Capital Financing

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

	2014/15	2013/14	2012/13
	£	£	£
<b>Opening Capital Financing Requirement</b>	<b>18,861,177</b>	<b>19,100,078</b>	<b>17,324,584</b>
<i>Capital Investment</i>			
Property, Plant and Equipment	6,044,855	2,307,080	2,950,824
Adjustments re: Prior year revaluations			
Investment Properties	0	0	0
Intangible Assets	0	0	0
Revenue Expenditure Funded from Capital under Statute	287,489	0	0
<i>Sources of Finance</i>			
Capital Receipts	0	0	(2,220)
Government Grants and Other Contributions	(275,730)	(1,460,151)	(312,472)
Transfers from Earmarked Reserves	0	0	0
<i>Sums set aside from Revenue</i>			
Direct Revenue Contributions	0	(218,001)	(106,807)
Minimum Revenue Provision **	(886,670)	(867,830)	(753,831)
<b>Closing Capital Financing Requirement</b>	<b>24,031,121</b>	<b>18,861,177</b>	<b>19,100,078</b>

Explanation of Movements In Year			
Increase in underlying need to borrow	5,169,944	(238,901)	1,775,494
Assets acquired under finance leases	0	0	0
Assets acquired under PFI/PPP contracts	0	0	0
<b>Increase/(decrease) In Capital Financing Requirement</b>	<b>5,169,944</b>	<b>(238,901)</b>	<b>1,775,494</b>

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## 12 Future Capital Commitments

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

	Gross Cost £	Grant Aid £	Net Cost £
<b>Schemes Underway:</b>			
The Gobbins	371,000	0	371,000
Carnlough Library	11,500	0	11,500
<b>Other commitments:</b>	4,943,063	0	4,943,063
<b>Total</b>	<b>5,325,563</b>	<b>0</b>	<b>5,325,563</b>

## 13 Inventories

	2014/15	2013/14
	£	£
Central Stores	47,557	50,759
Other	30,329	29,160
<b>Total</b>	<b>77,886</b>	<b>79,919</b>

The cost of inventories recognised as expense and included in 'services' amounted to (£2,033) (2013/14: (£6,689))

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14 Debtors

	2014/15	2013/14	2012/13
	£	£	£
<b>14a Long Term Debtors</b>			
*Government Departments	0	0	0
Other Councils	0	0	0
Public corporations and trading funds	0	0	0
Bodies external to general government	0	0	0
Employee car loans	0	0	0
Grants	0	0	0
Loans and advances	0	0	0
Finance lease debtors-Note 5c)	0	0	0
Trade debtors	0	0	0
NIHE Loans	0	0	0
Other	0	0	0
Impairment of loans and receivables	0	0	0
<b>Total Long-Term Debtors</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>14b Short Term Debtors</b>			
*Government Departments	610,274	499,338	370,437
Other Councils	24,527	13,830	9,191
Public corporations and trading funds	0	0	0
Bodies external to general government	863,367	1,332,072	0
Employee car loans	838	2,513	0
Grants	0	0	0
Value Added Tax	522,609	238,661	209,226
Prepayments	25,784	30,069	21,787
Finance lease debtors-Note 5c)	0	0	0
Other	19,786	38,297	69,063
Trade receivables	132,707	161,074	109,256
Impairment loss - Trade receivables	(20,325)	(15,236)	(13,103)
<b>Total Short-Term Debtors</b>	<b>2,179,567</b>	<b>2,300,617</b>	<b>775,857</b>
<b>Total Debtors</b>	<b>2,179,567</b>	<b>2,300,617</b>	<b>775,857</b>

Total Trade debtors equals £161,633 (2013/14: £175,885), however the analysis above requires trade receivables to be classified between the areas shown above - i.e. Government departments, other councils etc.

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**15a Long-Term Investments**

Larne Borough Council has no long term investments at the balance sheet date

**15b Short-Term Investments**

Larne Borough Council has no short term investments at the balance sheet date

**Third Party Investments**

The Council administers third party investments totalling £130,981 (2013/14: £137,526), these values are not included in the accounts of Larne Borough Council.

**Fort James**

The Council received a donation in July 2002 from Fort James Paper Mill, since closed, to be used for the benefit of the people of Larne. At 31 March 2015 the balance on deposit was £85,205 (2013/14: £90,340).

Officers have presented to Council options for the distribution of the Fort James funds which are under consideration.

**The Northern Ireland Central Investment Fund for Charities**

The Council administer shares held in the Northern Ireland Central Investment Fund for Charities as stated below:

	Shares	Price per share	Total
James C Kilpatrick Charity	468	11.72608974	5,488
Lord Magheramorne Charity	800	11.72608974	9,381
Robert T Ross Charity	1496	11.72608974	<u>17,542</u>
			32,411

The Larne Poor Coal Fund shares were disposed of in the year, and has a balance of £356 as at 31st March 2015. (2013/14: £5,454)

**Other**

Treasury stocks administered by the Council on behalf of third parties total £2,765 (2013/14: £2,765) and Bank deposits held for various community groups totalling £1,285 (2013/14: £8,453).

The DSD Charities Account has a balance of £8,959 as at 31st March 2015.

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16a Short Term Borrowing

	2014/15	2013/14	2012/13
	£	£	£
Loans re-payable within one year	1,018,117	901,269	837,891
Finance Lease Principal	0	0	0
<b>Total Short Term Borrowing</b>	<b>1,018,117</b>	<b>901,269</b>	<b>837,891</b>

16b Long Term Borrowing

	2014/15	2013/14	2012/13
	£	£	£
Between 1 and 2 years	1,110,156	933,399	874,344
Between 2 and 5 years	3,333,807	3,788,633	3,701,804
Between 5 and 10 years	3,995,440	3,484,095	3,635,935
In more than 10 years	11,414,069	10,178,742	8,532,122
Government Loans Fund	19,853,472	18,384,868	16,744,205
<b>Total Borrowing</b>	<b>20,871,589</b>	<b>19,288,137</b>	<b>17,582,096</b>

Interest rates on Government Loans range between 1.53% and 12%

17a Short Term Creditors

	2014/15	2013/14	2012/13
	£	£	£
Government Departments	214,049	254,905	164,174
Other Councils	256,175	20,705	16,476
Public corporations and trading funds	0	0	0
Bodies external to general government	0	0	0
Rates clawback	0	0	0
Remuneration due to employees	88,427	45,518	0
Accumulated Absences	70,931	77,575	63,263
Receipts in advance	0	103,441	64,228
Trade creditors	878,450	560,385	859,671
Other	447,805	409,000	0
<b>Total Short Term Creditors</b>	<b>1,955,836</b>	<b>1,471,530</b>	<b>1,167,812</b>

17b Long Term Creditors

	2014/15	2013/14	2012/13
	£	£	£
Other creditors falling due after more than one year			
Government Departments	0	0	0
Other Councils	0	0	0
Public corporations and trading funds	0	0	0
Bodies external to general government	0	0	0
Rates clawback	0	0	0
Other	0	0	0
<b>Total Long Term Creditors</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Creditors</b>	<b>1,955,836</b>	<b>1,471,530</b>	<b>1,167,812</b>

Payment of Invoices

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

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

During the 2014/2015 financial year the Council paid 5372 invoices totalling £10,874,351.27

The Council paid 5029 invoices within the 30 day target

The Council paid 3347 invoices within the 10 day target

The Council paid 343 invoices outside of the 30 day target

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18 Provisions

	At 1 April 2014	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	At 31 March 2015
	£	£	£	£	£	£
Single status	0	0	0	0	0	0
Election expenses	0	0	0	0	0	0
Landfill closure	0	0	0	0	0	0
Severance	0	26,862	0	0	0	26,862
Claims management	0	0	0	0	0	0
Other	0	0	0	0	0	0
	0	26,862	0	0	0	26,862

Current Provisions	0	26,862	0	0	0	26,862
Long Term Provisions	0	0	0	0	0	0
	0	26,862	0	0	0	26,862

Comparative Year

	At 1 April 2013	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	At 31 March 2014
	£	£	£	£	£	£
Single status	280,000	0	267,364	(12,636)	0	0
Election expenses	0	0	0	0	0	0
Landfill closure	0	0	0	0	0	0
Reorganisation	0	0	0	0	0	0
Claims management	0	0	0	0	0	0
Other	0	0	0	0	0	0
	280,000	0	267,364	(12,636)	0	0

Current Provisions	280,000	0	267,364	(12,636)	0	0
Long Term Provisions	0	0	0	0	0	0
	280,000	0	267,364	(12,636)	0	0

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**19 Financial Instruments**

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

**Credit Risk**

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

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

	£
Less than three months	£84,050
Three to six months	£10,851
Six months to one year	£23,790
More than one year	£42,942
	<b>£161,633</b>

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

**Liquidity Risk**

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

## **Market Risk**

### **Interest rate risk**

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings.

### **Foreign exchange risk**

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

### **Fair Value of Soft Loans and Government Loans**

The Council is in receipt of loans from the Department of Finance and Personnel that differ from the prevailing market rates. The fair value of these loans is £27,741,977 analysed as follows.

	£
Government Loans	27,741,977
Market Loans	0
<b>Total</b>	<b>27,741,977</b>

The council has made no loans to voluntary organisations and other external bodies.



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20 Retirement Benefits

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

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

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

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

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

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

	Note	2014/15	2013/14
		£	£
<b>Net cost of services:</b>			
Current service cost		974,000	933,000
Past service cost/(gain)		0	0
Gains and losses on settlements or curtailments		0	0
<b>Net operating expenditure:</b>			
Net Interest on net defined benefit Liability (asset)		187,000	254,000
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>		<b>1,161,000</b>	<b>1,187,000</b>
<b>Movement in Reserves Statement:</b>			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(1,161,000)	(1,187,000)
<b>Actual amount charged against the general fund balance for pensions in the year:</b>			
Employers' contributions payable to scheme		812,604	745,000
<b>Net charge to the Comprehensive Income and Expenditure Statement</b>		<b>(348,396)</b>	<b>(442,000)</b>

The service cost figures include an allowance for administration expenses of 1.23% (2014: 1.18%).

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

	Note	2014/15	2013/14
Liability gains/(losses) due to change in assumptions		(3,235,000)	1,357,000
Liability experience gains/(losses) arising in the year		149,000	(1,285,000)
Actuarial gains/(losses) on plan assets		2,192,000	1,498,000
Other - (if applicable)			
<b>Total gains/(losses) recognised in Other Comprehensive Income and Expenditure</b>		<b>(894,000)</b>	<b>1,570,000</b>

**20c Assets and liabilities in relation to retirement benefits**

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

	Note	2014/15	2013/14
		£	£
<b>Balance as at 1 April</b>		<b>29,581,000</b>	<b>28,026,000</b>
Current service cost		974,000	933,000
Interest cost		1,259,000	1,276,000
Contributions by members		243,000	231,000
<b>Remeasurement (gains) and losses:</b>			
- Actuarial gains/losses arising on liabilities from experience		-149,000	1,285,000
- Actuarial gains/losses arising from demographic changes		0	(1,162,000)
- Actuarial gains/losses arising from changes in financial assumptions		3,235,000	(195,000)
- Other (if applicable)			
Past service costs/(gains)		0	0
Losses/(gains) on curtailments		0	0
Liabilities extinguished on settlements		0	0
Estimated unfunded benefits paid		(8,000)	(8,000)
Estimated benefits paid		(828,000)	(805,000)
<b>Balance as at 31 March</b>		<b>34,307,000</b>	<b>29,581,000</b>

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

	Note	2014/15	2013/14
		£	£
<b>Balance as at 1 April</b>		<b>24,800,396</b>	<b>22,117,396</b>
Interest Income		1,072,000	1,022,000
Contributions by members		243,000	231,000
Contributions by employer		804,604	737,000
Contributions in respect of unfunded benefits		8,000	8,000
Remeasurement gain/(loss)		2,192,000	1,498,000
Assets distributed on settlements		0	0
Unfunded benefits paid		(8,000)	(8,000)
Benefits paid		(828,000)	(805,000)
<b>Balance as at 31 March</b>		<b>28,284,000</b>	<b>24,800,396</b>

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

The actual return on scheme assets in the year was a gain of £3,264,000 (2013/14 gain of £2,520,000).

#### Fair Value of Plan Assets

	31/03/2015	31/03/2014	31/03/2013
			RESTATED
	£	£	£
Equity investments	20,647,320	18,401,894	16,720,751
Bonds	3,450,648	2,976,048	2,521,383
Property	3,563,784	2,777,644	1,703,039
Cash	622,248	644,810	1,172,223
	<b>28,284,000</b>	<b>24,800,396</b>	<b>22,117,396</b>

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

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

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

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

	31/03/2015	31/03/2014	31/03/2013
			RESTATED
	£	£	£
Fair Value of Employer Assets	28,284,000	24,800,396	22,117,396
Present value of funded defined benefit obligation	(34,145,000)	(29,426,000)	(27,854,000)
Pension asset/(liability) of Funded Scheme	(5,861,000)	(4,625,604)	(5,736,604)
Present Value of unfunded defined benefit obligation	(162,000)	(155,000)	(172,000)
Other movement in the liability (asset) (if applicable)	0	0	0
<b>Net asset/(liability) arising from the defined benefit obligation</b>	<b>(6,023,000)</b>	<b>(4,780,604)</b>	<b>(5,908,604)</b>
<i>Amount in the Balance sheet:</i>			
Liabilities	(6,023,000)	(4,780,604)	(5,908,604)
Assets	0	0	0
<b>Net Asset/(Liability)</b>	<b>(6,023,000)</b>	<b>(4,780,604)</b>	<b>(5,908,604)</b>

#### 20d Scheme history

##### Analysis of scheme assets and liabilities

	31/03/2015	31/03/2014	31/03/2013
			RESTATED
	£	£	£
Fair Value of Assets in pension scheme	28,284,000	24,800,396	22,117,396
Present Value of Defined Benefit Obligation	(34,307,000)	(29,581,000)	(28,026,000)
<b>Surplus/(deficit) in the Scheme</b>	<b>(6,023,000)</b>	<b>(4,780,604)</b>	<b>(5,908,604)</b>

**Amount recognised in Other Comprehensive Income and Expenditure:**

	31/03/2015	31/03/2014	31/03/2013
		RESTATED	RESTATED
	£	£	£
Actuarial gains/(losses)	(3,086,000)	72,000	(2,414,000)
Expected Return on Plan Assets	2,192,000	1,498,000	2,355,000
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	0	0	0
Remeasurements recognised in Other Comprehensive Income and Expenditure	(894,000)	1,570,000	(59,000)
Cumulative actuarial gains and losses	(2,666,000)	(1,772,000)	(3,342,000)

**History of experience gains and losses:**

Experience gains and (losses) on assets	2,192,000	1,498,000	2,355,000
Experience gains and (losses) on liabilities	149,000	72,000	(2,414,000)

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £34,307,000 has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in a net liability of £6,023,000.

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

**Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2016**

	31/03/2016	31/03/2016
	£	%
Projected current cost	1,044,000	85.3%
Net Interest on the net defined benefit liability (asset)	180,000	14.7%
Past service cost	0	0.0%
Gains and losses on settlements or curtailments	0	0.0%
	1,224,000	100.0%

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the council in the year to 31 March 2016 is £815,000.

**History of experience gains and losses**

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

	31/03/2015	31/03/2014	31/03/2013
	%	%	%
Experience (gains and (losses) on Assets	7.7%	6.0%	10.6%
Experience gains and (losses) on Liabilities	-0.4%	-0.2%	8.6%

20e **Basis for estimating assets and liabilities**

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

	2014/15	2013/14
<b>Mortality assumptions:</b>		
<i>Longevity at 65 current pensioners:</i>		
Men	22.2 years	22.1 years
Women	24.7 years	24.6 years
<i>Longevity at 65 for future pensioners:</i>		
Men	24.4 years	24.3 years
Women	27 years	26.9 years
Inflation/Pension Increase Rate	1.80%	2.40%
Salary Increase Rate	3.30%	3.90%
Discount Rate	3.20%	4.30%
<b>Take-up of option to convert annual pension into retirement lump sum:</b>		
Service to April 2009	75%	50%
Service post April 2009	75%	75%

20f **Pension Assumptions Sensitivity Analysis**

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

The approximate impact of changing key assumptions on the present value of the funded defined benefit obligation as at 31 March 2015 is set out below.

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

**Funded Pension Scheme Benefits**

<b>Discount Rate Assumption</b>		
Adjustment to discount rate	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Present value of the total obligation	33,507,000	34,796,000
% change in the present value of the total obligation	-1.90%	1.90%
Projected service cost	1,012,000	1,077,000
Approximate % change in projected service cost	-3.10%	3.10%
<b>Rate of General Increase in Salaries</b>		
Adjustment to salary increase rate	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Present value of the total obligation	34,356,000	33,936,000
% change in the present value of the total obligation	0.60%	-0.60%
Projected service cost	1,044,000	1,044,000
Approximate % change in projected service cost	0.00%	0.00%
<b>Rate of Increase to Pensions in Payment and Deferred Pension Assumption</b>		
Adjustment to pension increase rate	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Present value of the total obligation	34,619,000	33,678,000
% change in the present value of the total obligation	1.40%	-1.40%
Projected service cost	1,077,000	1,012,000
Approximate % change in projected service cost	3.10%	-3.10%
<b>Post Retirement Mortality Assumption</b>		
Adjustment to the mortality age rating assumption *	<b>-1 Year</b>	<b>+1 Year</b>
Present value of the total obligation	35,065,000	33,224,000
% change in the present value of the total obligation	2.70%	-2.70%
Projected service cost	1,079,000	1,009,000
Approximate % change in projected service cost	3.40%	-3.40%

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

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

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

	<b>31/03/2015</b>	<b>31/03/2014</b>	<b>31/03/2013</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Equity investments	73.0	74.2	76.2
Bonds	12.2	12.0	11.4
Property	12.6	11.2	7.7
Cash	2.2	2.6	4.7
	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

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

**21 Donated Assets Account**

Larne Borough Council has no Donated Assets at the Balance Sheet date.

**22 Capital Grants Received in Advance**

Larne Borough Council has no Capital Grants received in advance at the Balance Sheet date.

**23 Contingencies**

The Arc21 Joint Committee has, with the approval of their Participant Councils, entered into a Contingent Liability Undertaking with the bidding consortium in the procurement for the Residual Waste Treatment Project and Larne 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.

Larne Borough Council adopted the RPA Severance Scheme, which allowed employees to apply for severance prior to the 1 April 2015. Any decision in relation to a severance application required joint agreement between Larne Borough Council and Mid and East Antrim District Council.

The cost of severance for those individuals, who left prior to 1 April 2015, was borne by Larne Borough Council.

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

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

	Notes	2014/15 £	2013/14 £
<b>Adjustment to surplus or deficit on the provision of services for noncash movements</b>			
Depreciation		1,551,644	1,587,249
Impairment & downward revaluations (& non-sale)		(518,768)	2,755,099
Amortisation (included with depreciation above)		0	0
(Increase)/Decrease in Stock		2,033	6,688
(Increase)/Decrease in Debtors		115,962	(676,359)
Increase/(decrease) in impairment provision for bad debts		5,089	2,133
Increase/(Decrease) in Creditors		484,303	476,782
Increase/(Decrease) in Interest Creditors		0	8,977
Payments to NILGOSC		348,396	442,000
Carrying amount of non-current assets sold		0	0
Written off to Net Cost of Services			0
Contributions to Other Reserves/Provisions		26,862	(280,000)
Movement in value of investment properties-included above in Impairment & downward revaluations (& non-sale derecognitions)		0	0
Amounts posted to CIES from Donated Assets Account	21	0	0
		<u>2,015,521</u>	<u>4,322,570</u>
<b>Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities</b>			
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		0	0
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		0	0
Proceeds from the sale of PP&E, investment property and intangible assets		0	0
Capital grants included in "Taxation & non-specific grant income"		(3,179,323)	(1,460,151)
		<u>(3,179,323)</u>	<u>(1,460,151)</u>



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

**24b Cash and Cash Equivalents**

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

	31/03/2015 £	31/03/2014 £	31/03/2013 £
Cash and Bank balances	735,030	985,966	505,764
Short Term Investments (considered to be Cash Equivalents)	0	0	0
Short Term Deposits (considered to be Cash Equivalents)	0	0	0
Bank Overdraft	0	0	0
	<u>735,030</u>	<u>985,966</u>	<u>505,764</u>

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

	2014/15 £	2013/14 £
<i>The cash flows from operating activities include:</i>		
Interest received	<u>5,318</u>	<u>7,897</u>
Interest paid	<u>950,302</u>	<u>899,287</u>

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

**24d Cash flows from Investing Activities**

	2014/15 £	2013/14 £
Purchase of PP&E, investment property and intangible assets	6,044,855	2,489,120
Purchase of Short Term Investments (not considered to be cash equivalents)	0	
Purchase of Long Term Investments	0	0
Other Payments for Investing Activities	0	0
Proceeds from the sale of PP&E, investment property and intangible assets	0	0
Proceeds from Short Term Investments (not considered to be cash equivalents)	0	0
Proceeds from Long Term Investments	0	0
Capital Grants and Contributions Received	(3,179,323)	(609,616)
Other Receipts from Investing Activities	0	0
<b>Net Cash flows from Investing Activities</b>	<b><u>2,865,532</u></b>	<b><u>1,879,504</u></b>

**24e Cash flows from Financing Activities**

	2014/15 £	2013/14 £
Cash Receipts from Short and Long Term Borrowing	2,486,720	2,547,380
Other Receipts from Financing Activities	0	0
Cash payments for the reduction of the outstanding liability relating to a finance lease and on-Balance Sheet PFI contracts	0	0
Repayment of Short and Long Term Borrowing	(901,269)	(843,340)
Other payments for Financing Activities	0	0
<b>Net Cash flows from Financing Activities</b>	<b><u>1,585,451</u></b>	<b><u>1,704,040</u></b>

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

25a Analysis of Movement on Reserves - Current Year

	USABLE RESERVES				UNUSABLE RESERVES										TOTAL AUTHORITY RESERVES
	Capital Receipts Reserve	Capital Grants Unapplied Account	Capital Fund	Other Reserves (Election Reserve)	Capital Grants Unapplied Account	Financial Instruments Adjustment Account	Revaluation Reserve	Available for Sale Financial Instruments Reserve	Pension Reserve	Deferred Capital Receipts Account	Accumulated Absences Account	Provision Discount Rate Reserve	Local Government Reserve	TOTAL UNUSABLE RESERVES	
At 1 April 2014	41,700	0	232,668	30,440	1,242,772	260	267	260	260	0	0	0	0	0	16,833,833
Movements during the year:															
Applied Capital Grants		2,803,503			(1,775,736)										278,736
Unapplied Capital Grants received in year		0			(2,803,503)										0
Unapplied Capital Grants transferred to CAA in year		0			0										0
Direct Revenue Financing					0										0
Depreciation & Impairment adjustment					1,032,875										(1,032,875)
Statutory Provision for financing Capital Investment					(866,670)										866,670
Net Revenue expenditure funded from capital under statute					287,489										(287,489)
Surplus/(Deficit) on the Provision of Services					2,182,846										2,182,846
Transfers between Statutory and Other Reserves and the General Fund			0	(177,702)	208,143						(248,206)				0
Net movements on Pension Reserve					348,206										0
Disposal of Fixed Assets/Capital Subs					0										0
Capital Receipts used to fund capital expenditure					0										0
Difference between Index and other costs and expense calculated on an accruing basis and finance costs calculated in accordance with statutory requirements					(6,644)										6,644
Revaluation & Impairment					0										0
Other Movements					0										0
Transfers between Capital Fund/Reserve & Other Fund & CAA to finance capital expenditure					104,526										0
					0										0
Total movements on reserves during the year (Change in Net Monthly)	0	2,803,503	0	(218,440)	(2,807)	(62,420)	0	1,422,281	0	(1,242,261)	0	0	0	0	0
At 31 March 2015	41,700	2,803,503	0	64,945	1,238,865	12,534,604	267	260	260	0	0	0	0	0	16,846,352

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

25b Analysis of Movement on Reserves - Comparative Year

	USABLE RESERVES				TOTAL USABLE RESERVES				UNUSABLE RESERVES				TOTAL UNUSABLE RESERVES				TOTAL AUTHORITY RESERVES		
	Capital Receipts Reserve	Capital Grants Unapplied Account	Capital Fund Single Stake Appeal Fund	Other Subsidies and Reserves (e.g. Return Transition Fund)	Capital Receipts Reserve	Capital Grants Unapplied Account	Capital Fund Single Stake Appeal Fund	Other Subsidies and Reserves (e.g. Return Transition Fund)	Financial Instruments Adjusted Account	Provision for Reserve Subsidies Reserve	Provision Discount Rate Reserve	Deferred Capital Receipts Account	Accumulated Surplus Account	Landfill Reclamation Reserve	Capital Receipts Reserve	Capital Grants Unapplied Account		Capital Fund Single Stake Appeal Fund	Other Subsidies and Reserves (e.g. Return Transition Fund)
At 1 April 2013	26a	26b	26c	0	26d	26e	26f	26g	26h	26i	26j	26k	26l	26m	26n	26o	26p	26q	26r
Accounting Policy Changes - Retrospective Adjustments	41,700	0	0	0	1,459,956	15,712,540	0	2,777,524	0	(5,908,604)	0	(62,263)	0	0	0	0	0	0	12,819,246
At 1 April 2013	41,700	0	0	0	1,459,956	15,712,540	0	2,777,524	0	(5,908,604)	0	(62,263)	0	0	0	0	0	0	12,819,246
Movements during the year:																			
Applied Capital Grants	3,71,223				(1,460,153)	1,460,153													1,460,153
Unapplied Capital Grants received in year		0			0	0													0
Unapplied Capital Grants transferred to CIA in year		0			0	0													0
Direct Revenue Financing	3,11				(218,001)	218,001													218,001
Depreciation & Impairment adjustment	3				4,342,346	(4,342,346)													(4,342,346)
Loans base principal payments					(867,830)	867,830													867,830
Net Revenue receivables transferred from capital under statute	3,11				0	0													0
Surplus (Deficit) on the Provision of Services					(2,206,753)	2,206,753													2,206,753
Transfers between Statutory and Other Reserves and the General Fund					(233,100)	233,100													0
Net movements on Pension Reserve	20				442,000	(442,000)													(442,000)
Disposal of Fixed Assets/Capital Sales	3,10,223				0	0													0
Capital Receipts used to finance capital expenditure	3,11				0	0													0
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	10,20				14,312	(14,312)													14,312
Revaluation & Impairment					0	0													0
Other Movements					0	0													0
Transfers between Capital Fund/Financial & Repair Fund & CAA to finance capital expenditure					0	0													0
Total movements on reserves during the year (Change in Net Worth)	61,700	0	0	0	(217,184)	(217,184)	30,648	3,811,283	0	1,170,806	0	(14,312)	0	0	0	0	0	0	2,160,006
At 31 March 2014	61,700	0	0	0	1,242,772	15,495,356	30,648	6,699,807	0	(4,738,804)	0	(77,575)	0	0	0	0	0	0	14,216,252

**Larne Borough Council  
Notes to the Financial Statements  
Usable Reserves  
FOR THE YEAR ENDED 31 MARCH 2015**

**26a Capital Receipts Reserve**

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

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

**26b Capital Grants Unapplied account**

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

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

**26c Reform Transition Fund**

The reform Transition fund was designed to set aside funds for the cost of local government reform not provided for within the DOE funding package.

**26d 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.

**Larne Borough Council**  
**Notes to the Financial Statements**  
**Unusable Reserves**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**26e 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.

**26f Financial Instruments Adjustment Account**

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

**26g Revaluation Reserve UU**

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

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

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

The purpose of this account is to build up a balance based on the revaluation (upwards or downwards) of individual assets. All such revaluations (excluding impairment losses that have been debited to Surplus/(Deficit) on the Provision of Services in the) 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.

**26h Available-for-Sale Financial Instruments Adjustment Reserve**

This reserve is not applicable to Larne Borough Council.

**26i Pension Reserve**

Refer to note 20.

**26j Accumulated Absences Account**

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

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

**27 Significant Trading Operations**

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

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

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

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

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

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

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

	2015	2015	2014	2014
	£	£	£	£
	Turnover	Profit/(Loss)	Turnover	Profit/(Loss)
<b>Significant Trading Operations</b>				
Markets	19,792	(15,836)	15,442	(4,337)
Ballylumford Harbour	0	(5,554)	0	(8,509)
Carnlough Harbour	7,468	(5,581)	5,326	(8,289)
Glenarm Harbour	61,226	(40,065)	50,575	(30,010)
Portmuck Harbour	17,608	326	0	(13,274)
<b>TOTAL</b>	<b>106,095</b>	<b>(66,710)</b>	<b>71,343</b>	<b>(64,419)</b>

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

**28 Agency Services**

The Council does not provide agency services to third parties.



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

**29 Related Party Transactions**

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

Transactions with related parties not disclosed elsewhere in these financial statements are set out below:

Larne Borough Council contracts out its Economic Development function to LEDCOM (Local Economic Development Forum). The council contributed £77,370 (£78,108 2013/14).

An amount of £48,478 (£72,826) was paid to Larne & District Citizens' Advice Bureau in 2014/15.

An amount of £11,000 (£11,000 in 2013/14) was paid to Causeway Coast and Glens Heritage Trust in 2013/14.

An amount was paid to Causeway Coast and Glens Limited in 2014/15 of £25,000 (£25,000 in 2013/14).

Amounts of £40,404 (£39,642 in 2013/14) and £26,192 (£28,550) were paid to Ballymena Borough Council in 2014/15 as the employing authority for the provision of Environmental Health and Building Control services respectively, to a group of Local Authorities.

In 2014/15 £13,600 (£13,600 in 2013/14) was paid as a partnership contribution towards the running costs of the Mid Antrim Museum Service.

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

**Waste Bodies**

The Council is a member of the Arc21 joint Committee which is established for the purposes of managing waste. During the year the Council advanced £23,919 (2013/2014 £47,382) towards funding the expenditure of the Joint Committee.

The Joint Committee is a partnership of 11 (eleven) councils established to collaborate in implementing the Waste Management Plan to develop an integrated network of regional waste management facilities which would be cost effective to the public. Total payments by Larne Borough Council was £1,219k (£1,200k 2013/14).

**Peace III**

The Council participates in the Peace III Joint Committee. Under this arrangement Peace III and INTERREG IVA funding is available from the Special EU Programmes Body. The Council is part of this joint committee with Ballymena, Ballymoney, Coleraine (the lead council), Limavady and Moyle councils. During 2014/15 Larne Borough Council made payments of £4,350 to the Joint Committee.

**North East Partnership Interreg IVA**

North East Partnership Joint Committee is the delivery mechanism for the Interreg IVA Programme and funding is available from the Special EU Programmes Body. The Council is part of this JCC with Ballymena (Lead Council), Antrim, Ballymoney, Carrickfergus, Coleraine, Moyle and Newtownabbey. During 2014/15 Larne Borough Council received grants of £2,830,325 from the North East Partnership.

**North East Region Rural Development Programme**

North East Region Joint Committee is the delivery mechanism for the 2007 -2013 Rural Development Programme and funding is available from the Department of Agriculture and Rural Development. The Council is part of this JCC with Ballymena (Lead Council), Ballymoney, Coleraine, and Moyle . During 2014/15 Larne Borough Council received grants of £91,325 from the North East Region.

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

## **Councillors**

The Members' Declaration of Interests book is held by Council so elected members may insert details of relevant interests outside Council. The book is open to inspection by Councillors and electors of the Borough.

During the year transactions with other Councils were, in summary

- Payments for services and supplies received £152,784
- Receipts for services and supplies delivered £184,30

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

- Government Grants
- District Rates
- Members' Allowances

Councillors have direct control over the Council's financial and operating policies. In the 2014/15 financial year the Council commissioned £305,750 (2013/14 £199,681) of works and services from companies in which Councillors had a non-pecuniary interest. The Council entered into these contracts in full compliance with its standing orders.

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

**Mid and East Antrim Statutory Transition Committee**

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

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

The Constituent Councils are:

Ballymena Borough Council

Carrickfergus Borough Council

Larne Borough Council

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

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

The Council made contributions of £108,082 to the Statutory Transition Committee during the 2014/15 year.

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

**Mid and East Antrim Shadow Council**

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

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

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

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

	<b>2014/15</b>
	£
<b>Income</b>	1,207,185
<b>Expenditure</b>	1,207,185
<b>Surplus/(Deficit) for the year</b>	0
Surplus brought forward	0
Surplus carried forward	0

The Council made contributions of £147,789 to the Shadow Council during the 2014/15 year.

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

**Accounts Authorised for the Issue**

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

IAS 10 sets out

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

The material amendments were as follows:

2014-15

- 1 Capital grant income of £3.2m removed from service lines and reallocated to grant income
- 2 A net decrease in capital adjustment account of £19k as a result of depreciation and revaluation errors;

The above adjustments along with a number of adjustments below the level of materiality have resulted in the Comprehensive Income and Expenditure Statement surplus decreasing by £165k and the balance sheet net worth increasing by £165k.

Signed

  
Chief Financial Officer

Date

26/10/15