



BALLYMONEY
BOROUGH COUNCIL

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDING
31 MARCH 2008**

Ballymoney Borough Council
Annual Report and Accounts for the Year Ended 31 March 2008

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Explanatory Foreword

Introduction

The Council's financial performance for the year ended 31 March 2008 is as set out in the District Fund - Income and Expenditure Account and Balance Sheet.

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom as amended and augmented from time to time: A Statement of Recommended Practice (SORP) and the Department of the Environment Accounts Direction, Circular LG 05/08 dated 6 March 2008.

The substantive changes introduced into the 2007 SORP are:

the creation of a Revaluation Reserve to replace the Fixed Asset Restatement Account and the creation of the Capital Adjustment Account to replace the Capital Financing Account. The Revaluation Reserve has a zero balance at 1 April 2007 and the prior year accounts have been adjusted to reflect this change with the corresponding figure being credited to the newly renamed Capital Adjustment Account.

Group Accounts

The 2006 SORP 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. Ballymoney Borough Council does not have material interests in such bodies and accordingly are not required to prepare group financial statements.

The Statement of Accounts comprises :

An explanatory foreword - reports on significant matters in accounting statements

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

Annual Governance Statement

The accounting statements (detailed hereunder); and

Notes to the financial statements (includes accounting policies)

The core accounting statements for the year ended 31 March 2008 consist of :

District Fund Income and Expenditure Account--this statement reports the net cost for the year of all the functions for which the authority is responsible, and demonstrates how that cost has been financed from general government grants and income from local taxpayers. It brings together expenditure and income relating to all of the authority's functions, in three distinct sections, each divided by a sub-total.

Statement of Movement on the District Fund Balance--provides the reconciliation needed to give a full presentation of the financial performance of an authority during the year and the actual spending power carried forward to future years.

Statement of Total Recognised Gains and Losses--records gains and losses arising from asset and liability valuation changes rather than from an entities operating performance

Balance Sheet--is fundamental to the understanding of the Council's financial position at the year end. It shows its balances and reserves and its long - term indebtedness, and the fixed and net current assets employed in its operations, together with summarised information on the fixed assets held

Cash Flow Statement--summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes

Financial Report

For the year ended 31 March 2008 the Council's deficit was £989,345. This decreased the credit balance on the district fund reserve from £1,797,617 to £808,272.

District rates of 0.2768 pence (domestic) and 21.5659 pence (non domestic) in the £ respectively were struck for the 2007/2008 year. This was estimated to produce rates income of £4,563,340 and this sum plus final adjustment of £75,670 in respect of the financial year to 31 March 2007 was received from the Department of Finance and Personnel.

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

	Actual	Budget	Positive/ (Adverse) Variance
	£	£	£
Expenditure			
Expenditure(excluding capital charges)	9,526,980	7,780,283	(1,746,697)
Income			
Miscellaneous	2,442,745	1,668,149	774,596
General Grant	1,363,733	1,338,294	25,439
District Rates	4,639,010	4,563,340	75,670
Investment Income	92,147	80,000	12,147
Utilisation of Reserves	0	130,500	(130,500)
	8,537,635	7,780,283	757,352
			(989,345)

The net variance for 2007/2008 is £989,345 negative and this agrees with the net deficit as per the Statement of Movement on the District Fund Balance.

Assets and Liabilities

Ballymoney Borough Council can finance capital expenditure using :

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

Details of activity under this heading for the year are shown in notes 9 and 10

The transfer of £4,465,586 from work in progress to fixed assets included projects at the new Riada Stadium and changing rooms and Town Hall, Arts Centre and Museum.

Material Charges and Credits

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

Statutory Functions

There were no significant changes in statutory functions during the year under review.

Council Borrowing

The total long term loans outstanding at 31 March 2008 was £9,564,401 from the Government Loans Fund. During the year loans totalling £1,579,000 were raised through the Government Loans Fund to finance capital expenditure. The cost of servicing long term loans was £873,162 (principal £342,222 and interest of £530,940)

Prior Year Adjustment

The prior year's accounts have been adjusted to reflect the introduction of the Revaluation Reserve and also to take account of the accrued interest payable on loans.

Certificate of the Chief Financial Officer

I certify that: -

- (a) the Statement of Accounts for the year ended 31 March 2008 on pages 16 to 47 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 20 to 29.

- (b) in my opinion the Statement of Accounts present fairly the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

Signature  _____
Chief Financial Officer

Date 26 / 06 / 2008

Council Approval of Statement of Accounts

These accounts were approved by resolution of Corporate and Central Services Committee on 23rd June 2008.

Signature  _____
Committee Chair

Date 23 / 06 / 2008

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

The Council's Responsibilities

Under Section 54 of the Local Government Act (Northern Ireland) 1972 the Council shall make safe and efficient arrangements for the receipt of money paid into it and the issue of money payable by it, and those arrangements shall be carried out under the supervision of such officer of the Council as the Council designates as its Chief Financial Officer.

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

The Chief Financial Officer's Responsibilities

Under Regulations 4(1) and (2) 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 present fairly 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 (SORP – Statement of Recommended Practice) as amended and augmented from time to time;
- follow relevant accounting and disclosure requirements and apply suitable accounting on a consistent basis; and
- make judgements and estimates that are reasonable and prudent.

The Chief Financial Officer is also required to: -

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

Ballymoney Borough Council's Annual Governance Statement 2007-2008

Scope of responsibility

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

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

The Council will prepare an Annual Governance Statement which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*, and which is in full compliance with the Framework for the year commencing 1 April 2009. This statement explains how the Council is progressing towards this and also meets the requirements of Regulation 2A of the Local Government Accounts and Audit (Amendment) Regulations (Northern Ireland 2006) in relation to the publication of a statement on internal control.

The purpose of the governance framework

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

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

In 2007 CIPFA withdrew its guidance relating to Statements on Internal Control with the publication of the joint CIPFA/SOLACE "Delivering Good Governance: Framework". This requires the publication of an Annual Governance Statement rather than a Statement on Internal Control. Local authorities in England have been preparing the less comprehensive Statement on Internal Control for several years. The Department recognises that local government bodies had been preparing to include with their accounts, for the first time in 2007-2008, a Statement on Internal Control. As a result of the revised proper practice requirements, local government bodies are required to prepare an Annual Governance Statement in 2007-2008, without having previously completed a Statement on Internal Control.

Some aspects of the Statement on Internal Control are carried forward to the Annual Governance Statement. Where this is the case local government bodies will have undertaken the necessary preparatory work. Where the Annual Governance Statement provides additional requirements local government bodies will include with its disclosure one of the following:

- Compliance
- Intention to comply by 1 April 2009 (or earlier)
- Intention not to fully comply and reasons why.

Ballymoney Borough Council intends to comply fully with the requirements of the "Delivering Good Governance: Framework" by 1 April 2009, but has made progress towards that as set out below:

The governance framework

The statements below describe the key elements of the systems and processes that comprise the Council's governance arrangements including arrangements for:

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

Council comment:

Council has produced a Corporate Plan for the period 2008-11, which sets out its vision, core values, and business objectives. This has been issued to all senior managers and councillors, made available to staff on the internal IT network, to community and business networks and placed on the council's website.

- reviewing the authority's vision and its implications for the authority's governance arrangements

Council comment:

As part of the process for developing the corporate plan the vision for council was reviewed. The implications for the governance arrangements will be reviewed by 1 April 2009.

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

Council comment:

Council is committed to providing quality services aligned to the council's objectives and has developed business plans for all key services. Council is also exploring with other councils and DoE how best to conduct a survey of customer satisfaction which will allow this

to be measured and benchmarked across NI local government.

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

Council comment:

This will be done by 1 April 2009.

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

Council comment:

Council has adopted the "Code of Conduct for Local Government Officers (1998)", prepared by the Local Government Staff Commission and The Northern Ireland Code of Local Government Conduct (April 2003) prepared by DOE for the guidance of councillors. Councillors are required by law on accepting office to affirm that they have read and will be guided by the code; officers are given a copy of their code on taking up appointment and failure to adhere to it is a disciplinary offence.

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

Council comment:

Council adopted standing orders in 2001 and reviewed them in 2005. Financial instructions detailing the procedure for procurement of goods and services were last reviewed in 2006. The council adopted a Debt Management Policy in April 2008. A Treasury Management Policy will be produced and remaining matters dealt with by 1 April 2009.

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

Council comment:

Council established an Audit Committee in 2006 and this meets quarterly. 2007/08 was the first full year of operation of a contract with an external supplier for the provision of the Internal Audit function and the Audit reports for that year are being finalised for submission to the Audit Committee. The council's external auditor attended a meeting of the body in 2007/08 and will be invited in 2008/09 also.

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

Council comment:

Senior staff are appraised of new laws and regulations through a system of weekly reporting of any consultation documents which council receives, circulation of statements made by council and of published guidance and through membership of officer networks. Internal and external auditing checks compliance with council's policies, procedures and legislation. Proposals for new expenditure are brought forward through committees by senior staff who are experienced in council's powers. These arrangements will be reviewed by 1 April 2009.

- whistle-blowing and for receiving and investigating complaints from the public

Council comment:

Council adopted a whistle-blowing policy in 2005 and copied this to all employees. New employees are informed about it at induction. Council also operates a scheme for public complaints and suggestions. These are referred to the relevant department and responded to within set deadlines, with the opportunity to have complaints referred to a

higher level in the organisation where the complainant is not satisfied with the response.

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

Council comment:

A training needs assessment for councillors will be undertaken, and a system of performance management which will cover training needs for senior staff introduced by 1 April 2009.

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

Council comment:

Council publishes two bulletins annually which are distributed to all borough households, issues with rates demands each year a leaflet detailing the cost of local council services and publishes a range of citizen advice leaflets made available at public buildings in the borough. Information on services and council/committee minutes are available on the website and a comment line on the home page invites residents and visitors to submit comments on Council's services.

Review of effectiveness

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

Describe the process that has been applied in maintaining and reviewing the effectiveness of the governance framework, including some comment on the role of:

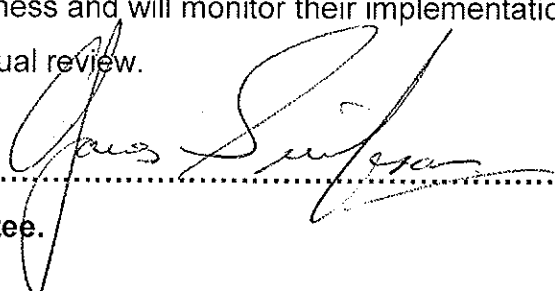
- the members
- the senior officers
- the audit committee /overview and scrutiny committees/risk management committee
- internal audit
- other explicit review/assurance mechanisms

A review will be carried out by 1 April 2009 and a plan to address weaknesses and ensure continuous improvement of the system will be put in place for 2009/10.

Significant governance issues

Development of an Annual Governance Statement which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*, and which is in full compliance with the Framework for the year commencing 1 April 2009.

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

Signed: Chairman of Committee.

Date: ..23./06/2008.....

Signed: Chief Executive

Date:26/06/2008.....

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALLYMONEY BOROUGH COUNCIL

I have audited the statement of accounts of Ballymoney Borough Council for the year ended 31 March 2008 under the Local Government (Northern Ireland) Order 2005. The statement of accounts comprises the Income and Expenditure Account, Statement of Movement on District Fund Balance, Statement of Total Recognised Gains and Losses, Balance Sheet and Cash Flow Statement. The statement of accounts has been prepared under the accounting policies set out within them.

This report is made solely to the Members of Ballymoney Borough Council in accordance with Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Local Government Code of Audit Practice issued by the Chief Local Government Auditor.

Respective responsibilities of the Chief Financial Officer and the independent auditor

The Chief Financial Officer's responsibilities for preparing the statement of accounts in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007 are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the statement of accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the statement of accounts present fairly, in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007, the financial position of the local government body and its income and expenditure for the year.

I review whether the Annual Governance Statement reflects compliance with the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007. I report if it does not comply with proper practices specified by the Department of the Environment or if the statement is misleading or inconsistent with other information I am aware of from my audit. I am not required to consider, nor have I considered, whether the Annual Governance Statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the local government body's corporate governance procedures or its risk and control procedures.

I read other information published with the statement of accounts and consider whether it is consistent with the audited statement of accounts. This other information comprises only the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or

material inconsistencies with the statement of accounts. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Local Government (Northern Ireland) Order 2005, the Local Government Code of Audit Practice issued by the Chief Local Government Auditor and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the statement of accounts. It also includes an assessment of the significant estimates and judgments made by the local government body in the preparation of the statement of accounts, and of whether the accounting policies are appropriate to the local government body's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the statement of accounts is free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the statement of accounts.

Opinion

In my opinion the statement of accounts presents fairly, in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007, the financial position of Ballymoney Borough Council as at 31 March 2008 and its income and expenditure for the year then ended.

Certificate

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

Stephen Knox

Stephen Knox
Local Government Auditor
106 University Street
Belfast
BT7 1EU

Date: *30th October 2008*

District Fund - Income and Expenditure Account for the Year Ended 31 March 2008

	Notes	2007/08			2006/07
		Gross Expenditure	Income	Net Expenditure	Net Expenditure
Services Expenditure					
Leisure & Recreation Services		4,114,948	(1,060,104)	3,054,844	2,293,526
Environmental Services		4,733,668	(866,469)	3,867,199	1,997,457
DRM and Corporate Management		945,421	(30,413)	915,008	761,590
Other Services		690,299	(485,759)	204,540	82,739
Continuing Operations		10,484,336	(2,442,745)	8,041,591	5,135,312
Acquired operations		0	0	0	0
Discontinued operations		0	0	0	0
Exceptional Items not included in cost of specific services		0	0	0	0
Net Cost of Services		10,484,336	(2,442,745)	8,041,591	5,135,312
Gain or loss on disposal of fixed asset	21	0	(2,630)	(2,630)	(13,500)
(Surplus) / Deficit of trading or other operations		0	0	0	0
Interest payable and similar charges including gains or losses on the repurchase or early resettlement of borrowings	6(a)	530,940	0	530,940	575,031
Interest and Investment Income	6(b)	0	(92,147)	(92,147)	(94,450)
Pensions interest cost and expected return on pensions assets		0		0	0
Extraordinary Items		0	0	0	0
Net Operating Expenditure		11,015,276	(2,537,522)	8,477,754	5,602,393
Income from General Grant & District Rates					
General Grant		0	(1,363,733)	(1,363,733)	(1,228,415)
District Rates	8	0	(4,639,010)	(4,639,010)	(4,548,943)
(SURPLUS) / DEFICIT FOR THE YEAR		11,015,276	(8,540,265)	2,475,011	(174,965)

Statement of Movement on the District Fund Balance for the Year Ended 31 March 2008

	Notes	2007/2008 £	2006/2007 £
Surplus/ (Deficit) for the year on the District Fund - Income and Expenditure Account	3	(2,475,011)	174,965
Net additional amount required by statute and non- statutory proper practices to be debited or credited to the District Fund Balance for the year.	3	1,485,666	34,594
Movement on the District Fund Balance for the year	3/21	(989,345)	209,559
District Fund Balance Brought Forward	21	1,797,617	1,588,058
District Fund Balance Carried Forward	21	808,272	1,797,617

Statement of Total Recognised Gains and Losses for the Year Ended 31 March 2008

	Notes	2007/2008		2006/2007	
		£	£	£	£
Surplus/(Deficit) for the year on the District Fund - Income and Expenditure Account	3		(2,475,011)		174,965
Surplus/(Deficit) arising on revaluation of fixed assets	21				0
Revaluation of pension reserve/provision	16/21		(14,983)		9,675
Any other gains and losses to be included in the statement of Total Recognised Gains and Losses					
Other			0		0
Total recognised gains and losses for the year (Change in Net Worth)	21		(2,489,994)		184,640
Prior period adjustments made during the year			0		
Total gains and losses recognised since last annual report (Change in Net Worth)	21		(2,489,994)		184,640

BALANCE SHEET AS AT 31 MARCH 2008

	Notes	2007/2008 £	2006/2007 £
FIXED ASSETS			
Intangible Assets	9	-	-
Tangible Fixed Assets			
Operational assets:			
Land	9	2,339,317	2,339,318
Buildings/Structures	9	15,891,841	12,101,408
Vehicles	9	366,934	251,585
Plant and equipment	9	65,271	72,767
I.T equipment	9	28,732	13,696
Infrastructure assets:			
Community assets:			
Non-operational assets:			
Land awaiting development			
Investment properties			
Surplus assets	9	245,280	245,948
Work in progress/Assets under Construction	9	2,921,538	5,957,918
TOTAL FIXED ASSETS		21,858,913	20,982,640
Long-term investments		-	-
Long-term debtors			
Loans recoverable			
Deferred Premiums on early repayment of debt		-	-
TOTAL LONG TERM ASSETS		21,858,913	20,982,640
CURRENT ASSETS			
Stock	11	40,146	36,692
Debtors/Prepayments	12	705,431	566,631
Short Term/Temporary Investments	13/20(a)	1,630,000	1,750,000
Cash and Bank		1,225	1,225
TOTAL ASSETS		24,235,715	23,337,188
CURRENT LIABILITIES			
Borrowing repayable on demand or within 12 months	14	(404,051)	(336,975)
Deferred Liabilities repayable on demand or within 12 months			
Creditors/Accruals	14	(652,724)	(378,635)
Bank Overdraft	17/20(a)	(387,735)	(479,799)
NET CURRENT ASSETS		932,292	1,159,139
TOTAL ASSETS LESS CURRENT LIABILITIES		22,791,205	22,141,779
LONG TERM LIABILITIES			
Borrowing repayable within a period in excess of 12 months	15	(9,160,350)	(7,990,648)
Deferred Liabilities repayable within a period in excess of 12 months			
Government grants deferred	18	(1,057,264)	(951,206)
Provisions	16	(1,983,016)	(119,356)
TOTAL ASSETS LESS LIABILITIES		10,590,575	13,080,569
RESERVES			
Capital adjustment account	21	8,806,739	8,900,527
Revaluation Reserve	21	0	0
Usable Capital receipts reserve	21	127,449	1,669,328
District Fund	21	808,272	1,797,617
Other Balances and Reserves		-	-
Renewal and Repairs Fund			
Capital Fund	21	982,453	832,453
Pensions Reserve	16/21	(134,338)	(119,356)
Loan Repayment Sinking Fund		-	-
NET WORTH		10,590,575	13,080,569

Cashflow Statement for the Year Ended 31 March 2008

	Notes	2007/2008		2006/2007	
		£	£	£	£
REVENUE ACTIVITIES					
Net cash inflow/(outflow) from operating activities	19		838,868		1,508,663
Returns on Investments and Servicing of Finance					
Cash Outflows					
Interest Paid		(520,265)		(493,017)	
Interest element of finance lease payments					
Cash Inflows					
Interest received		92,147		94,450	
Net Cash Outflow from Returns on Investments and Servicing of Finance			(428,118)		(398,567)
CAPITAL ACTIVITIES					
Cash Outflows					
Purchase of fixed assets		(1,850,962)		(1,395,428)	
Purchase of long term investments		0		0	
Other capital cash payments		0		0	
Cash Inflows					
Sale of fixed assets		2,630		13,500	
Other Grants	20(d)	172,868			
Other capital cash receipts		0		0	
Net Cash Outflow from Capital Expenditure			(1,675,464)		(1,381,928)
Net cash outflow before financing			(1,264,714)		(271,832)
Management of Liquid Resources					
Net increase/decrease in short term deposits		120,000		520,000	
Net increase/decrease in other liquid resources		0		0	
Cash outflow from Management of Liquid Resources			120,000		520,000
FINANCING					
Cash Outflows					
Repayment of amounts borrowed	20(c)	(342,222)		(304,849)	
Capital element of finance lease rental payments	20(c)				
Cash Inflows					
New loans raised	20(c)	1,579,000		300,000	
New short term loans		0		0	
Net cash inflow from financing			1,236,778		(4,849)
Increase/(Decrease) in Cash and Cash Equivalent	20(a)		92,064		243,319

Notes

1. ACCOUNTING POLICIES

1a) General Principles

The financial statements have been prepared under the historical cost convention, modified by the revaluation of land and buildings, and are in accordance with directions and guidance contained in the '*Code of Practice on Local Authority Accounting in the United Kingdom 2007: A Statement of Recommended Practice*' (SORP) and 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) 2007. The general principles adopted in compiling and presenting the financial statements are those specified within the 2007 SORP. The 2007 SORP is based on approved accounting standards for the preparation of financial statements for the financial year beginning 1 April 2007. These financial statements comply with accounting standards issued or adopted by the Accounting Standards Board insofar as these are applicable to local government.

Following from this, the financial statements are presented on the basis that the Council will continue to operate for the foreseeable future, the going concern concept. The accounts also reflect the concept of the primacy of legislative requirements in that, where an accounting treatment is prescribed by law, it must be applied even if it contradicts another accounting concept. In addition the Chartered Institute of Public Finance and Accountancy (CIPFA) publish a number of bulletins dealing with capital finance and Best Value accounting, which have been followed when preparing these financial statements.

The District Fund - Income and Expenditure Account on page 16 has been prepared using the requirements of the Best Value Accounting Code of Practice.

1b) Accounting Concepts

In general, the financial statements are prepared on the basis of historical cost modified by the revaluation of land, buildings, vehicles and plant subject to and in accordance with the fundamental accounting concepts set out below:

Relevance

The financial statements are prepared so as to provide readers with information about the Council's financial performance and position that is useful for assessing the stewardship of public funds.

Reliability

The financial statements are prepared on the basis that the financial information contained within them is reliable, i.e. free from material error, deliberate or systematic bias, complete within the bounds of materiality and represent faithfully what they intend to represent. Where there is uncertainty in measuring or recognising the existence of assets, liabilities, income and expenditure then

Notes

prudence has been used as a basis to inform the selection and application of accounting policies and estimation techniques.

Comparability

The financial statements are prepared so as to enable comparison between financial years. To aid comparability the Council has applied its accounting policies consistently both during the year and between years.

Understandability

Every effort has been made to make the financial statements as easy to understand as possible. Nevertheless, an assumption has been made that the reader will have a reasonable knowledge of basic accounting and local government finance. Where the use of technical terms has been unavoidable, an explanation has been provided in the body of the financial statements.

Materiality

Certain information may be excluded from the financial statements on the basis that the amounts involved are not material either to the fair presentation of the financial position and transactions of the Council or to the understanding of the accounts.

Accruals

With the exception of the Cash Flow Statement, the financial statements have been prepared on an accruals basis. The accruals basis of accounting requires the non-cash effect of transactions to be reflected in the financial statements for the year in which those effects are experienced and not in the year in which the cash is actually received or paid.

1c) Tangible Fixed Assets

i) Categories of assets

Tangible Fixed assets are categorised as follows:

Operational (eg land and buildings, vehicles, plant and equipment, office equipment and IT)

Non-operational (eg Investment properties, surplus properties and land awaiting development)

ii) Recognition

All expenditure on the acquisition, creation or enhancement of tangible fixed assets is capitalised on an accruals basis. Expenditure on the acquisition of a tangible asset, or expenditure which adds to, and not merely maintains, the value of an existing asset, are capitalised and classified as a tangible fixed asset, provided that it yields benefits to the authority and the services it provides for a period of more than one year, and is above the de minimis level.

Notes

Expenditure that is capitalised will include expenditure on:

the acquisition, reclamation, enhancement or laying out of land;

the acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures;

the acquisition, installation or replacement of movable or immovable plant, machinery, apparatus, vehicles and vessels.

In this context, enhancement means the carrying out of works which are intended to:

lengthen substantially the useful life of the asset; or

increase substantially the open market value of the asset; or

increase substantially the extent to which the asset can or will be used for the purposes of, or in conjunction with, the functions of the local authority concerned.

Under this definition, improvement works and structural repairs are capitalised, whereas ordinary jobbing maintenance to buildings, including painting and decorating, is not included.

Assets acquired under finance leases are capitalised and included together with a liability to pay future rentals.

Where a fixed asset is acquired for other than a cash consideration or where payment is deferred, the asset will be recognised and included in the balance sheet at fair value.

The following de minimis capitalisation levels have been used:

Assets	£
Land and buildings	0
Vehicles	1,000
Plant and equipment	1,000
IT	500 (grouping of asset in use)

Notes

iii) Measurement

Operational land and properties and other operational assets are included in the balance sheet at the lower of net current replacement cost or net realisable value in existing use.

Non-operational land and properties and other non-operational assets, including investment properties and assets that are surplus to requirements, are included in the balance sheet at the lower of net current replacement cost or net realisable value.

iv) Revaluations

When an asset is included in the balance sheet at current value, it is formally re-valued at intervals of not more than five years and the revised amount is included in the balance sheet. The difference between the value and the amount at which that asset was included in the balance sheet immediately prior to the latest revaluation is credited or debited to a fixed asset restatement account. It is the policy for the Authority to revalue its land and property assets in their entirety every 5 years.

v) Impairment

In accordance with Financial Reporting Standard 11 Impairment of Fixed Assets and Goodwill (FRS 11), the valuer reviews assets for impairment due to one or more of the following events:

- a significant decline in a fixed asset's market value
- evidence of obsolescence or physical damage
- significant adverse change in the statutory or other regulatory environment in which the Council operates
- a commitment by the Council to undertake significant re-organisation.

Impairment losses arising from asset use (e.g. physical damage or deterioration) are charged to the service account and are an appropriation to the Capital Financing Account. The Capital Financing Account contains the amount of capital expenditure that has been financed from revenue and capital receipts excluding sums received in respect of loans negotiated to finance capital investment. The Capital Financing Account is a statutory account that cannot be used to support spending. This ensures that the overall revenue effect is neutral and that no cost falls to the ratepayer. Impairment losses may be reversed if circumstances change

Notes

vi) Disposals

Income from the disposal of fixed assets is credited to the capital receipts reserve and the net book value is written off against the fixed asset restatement account, in the Balance Sheet. Whilst this is contrary to the requirements of Financial Reporting Standard 3 Reporting Financial Performance (FRS 3) it is consistent with the SORP. The proportion used for the repayment of external loans is credited to capital financing account.

vii) Depreciation

Depreciation is provided for on all fixed assets with a finite useful life.

Assets are depreciated on a straight-line basis and the depreciation charged for an asset will commence in the year of acquisition with no depreciation charge in the year of disposal.

The useful lives of assets are estimated on a realistic basis. They are reviewed regularly and, where necessary, revised. Where the useful life of a fixed asset is revised, the carrying amount of the fixed asset is depreciated over the revised remaining useful life.

With the exception of land, community assets, investment properties and work in progress all assets are depreciated. The following useful lives of assets have been used;

Buildings/Structures	Depends on property (5 to 60 years)
Vehicles	7 years
Plant & Equipment	7 years
IT	3 years

viii) Charges to revenue

District Fund service revenue accounts and central support services are charged with a capital charge, and where required any related impairment loss, for all fixed assets used in the provision of the service. In previous years capital charges were made to the Consolidated District Fund. These capital charges were equal to the sum of depreciation plus a notional interest charge, where the interest rate was prescribed by CIPFA and applied to all assets other than work in progress. From 1 April 2006, this notional interest is no longer required to be made to the District Fund – Income and Expenditure Account. Instead only actual interest is charged to the District Fund – Income and Expenditure Account via interest payable

Notes

and similar charges including gains or losses on the repurchase or early resettlement of borrowings.

1d) Intangible Assets (Excluding Goodwill and Development Expenditure)

i) Recognition

Purchased intangible assets (e.g. software licences) will be capitalised as assets. Internally developed intangible assets will only be capitalised where there is a readily ascertainable market value, which is unlikely to occur in a local authorities single entity financial statements.

ii) Measurement

A purchased intangible asset will be capitalised at its cost

FRS 10 permits but does not require revaluation. An intangible asset will only be revalued where it has a readily ascertainable market value. Where an intangible asset is included in the balance sheet at current value, the increase over the previous carrying amount at which the asset was included in the balance sheet immediately prior to the latest valuation will be credited to the fixed asset restatement account.

iii) Amortisation

Intangible assets will be amortised on a systematic basis over their economic lives. There is a rebuttable presumption that the economic lives of intangible assets are limited to periods of 20 years or less. The useful economic lives of intangible assets will be reviewed at the end of each reporting period and revised if necessary. The method of amortisation will reflect the expected pattern of depletion. A straight-line method will be chosen unless another method can be demonstrated to be more appropriate

iv) Disposals

Income from the disposal of intangible assets will be credited to the usable capital receipts reserve, and accounted for on an accruals basis

Upon disposal, the net book value of the intangible asset disposed of will be written off against the fixed asset restatement account

Notes

v) Charges to Revenue

District Fund service revenue accounts and central support services will be charged with a provision for amortisation and where required, any related impairment loss, for all intangible assets used in the provision of the service.

1e) Foreign Currency Translation

Income and expenditure arising from a transaction denominated in a foreign currency is translated into £ sterling at the exchange rate in operation on the date on which the transaction occurred; if the rates do not fluctuate significantly, an average rate for a period may be used as an approximation. Where the transaction is to be settled at a contracted rate, that rate is used.

At each balance sheet date, monetary assets and liabilities dominated in a foreign currency are translated by using the closing rate or, where appropriate, the rates of exchange fixed under the terms of the relevant transactions.

1f) Government Grants

Whatever their basis of payment, revenue grants are matched with the expenditure to which they relate. Grants made to finance the general activities of a local authority or to compensate for a loss of income is credited to the revenue account of the period in respect of which they are payable.

Where the acquisition of a fixed asset is financed either wholly or in part by a government grant or other contribution, the amount of the grant or contribution is credited to the government grants deferred account and written off to the service accounts over the useful life of the asset to match the depreciation of the asset to which it relates. Where the grant relates to a non-depreciating asset such as land it is put to the capital financing account.

Government grants or other contributions are accounted for on an accruals basis and recognised in the accounting statements when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received.

1g) Investments

Investments are carried at cost less provision, where appropriate, for loss in value. Long-term investments will be identified separately on the face of the balance sheet. Where the local authority's investment is unlikely to be recovered, the loss will be charged against a relevant reserve or written off to the appropriate revenue account.

Notes

1h) Overheads

Charges or apportionments covering all support service costs are made to all their users. A consistent basis is used to apportion these costs and the Council does not have any unapportionable overheads. The costs of the Corporate and Democratic Core are not apportioned to other expenditure headings.

1i) Pensions

The Council charges the District Fund - Income and Expenditure Account with an amount equal to the retirement benefits payments which it made for that financial year in accordance with discretionary compensation regulations.

Councils in Northern Ireland contribute to the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) scheme. It is a multi-employer defined benefit scheme, which is treated as a defined contribution scheme under Financial Reporting Standard 17 Retirement Benefits (FRS17). This scheme provides the relevant information within its own accounts. The Council provides further information on discretionary benefits awarded to employees. The Council's contribution rate is determined by NILGOSC's actuary every three years and is set to maintain the solvency of the fund. The Council's current contribution is 15 %.

At the last actuarial valuation date, 31 March 2007 the fund's assets as a whole were sufficient to meet 89% (2004, 85%) of the liabilities accrued to that date.

1j) Post Balance Sheet Events

The Council complies with the requirements of Financial Reporting Standard 21 Events. After the Balance Sheet Date (FRS21). Changes are made to the financial statements where a material post balance sheet event occurs that either provides additional evidence relating to conditions existing at the balance sheet date or indicates that the application of the going concern concept to a material part of the Council is not appropriate.

1k) Debtors and Creditors

The accounts of the Council are maintained on an accruals basis in accordance with the SORP and Financial Reporting Standard 18 Accounting Policies (FRS18). This ensures that provision has been made for known outstanding debtors and creditors at the year-end, estimated amounts being used where actual figures are not available.

Notes

The carrying amount of debtors is adjusted for doubtful debts, which are provided for, and known uncollectible debts are written off. Uncollectible debts are only written-off to the District Fund - Income and Expenditure Account after all recovery avenues open to the Council have been exhausted and the Council has formally approved the write off

1l) Provisions

Provisions are required for any liabilities of uncertain timing or amount which are likely to be incurred.

Provisions are required to be recognised when:

- the local authority has a present obligation (legal or constructive) as a result of a past event;
- it is probable that a transfer of economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

A transfer of economic benefits or other event is regarded as probable if the event is more likely than not to occur. If these conditions are not met, no provision will be recognised.

1m) Reserves

Amounts set aside for purposes falling outside the definition of provisions are considered as reserves, and transfers to and from them are distinguished from service expenditure disclosed in the Statement of Accounts. Expenditure should not be charged direct to any reserve. For each reserve established, the purpose, usage and the basis of transactions are clearly identified. Reserves include earmarked reserves set aside for specific policy purposes and balances, which represent resources, set aside for purposes such as general contingencies and cash flow management.

Capital reserves are not available for revenue purposes and certain of them can only be used for specific statutory purposes. Two of these reserves are non distributable reserves and are therefore referred to as accounts. The fixed asset restatement account and capital financing account are examples of such reserves. The useable capital receipts reserve is a reserve established for specific statutory purposes.

Notes

1n) Stocks

Stocks are valued on the basis of the latest invoiced price. This is not materially different from valuation on a First In First Out (FIFO) basis as recommended by Statement of Standard Accounting Practice 9 Stocks and Long-Term Contracts (SSAP 9).

1o) 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.

1p) Contingent Liabilities

Contingent liabilities are not recognised in the accounting statements but are disclosed by way of notes if there is a possible obligation which may require a payment or a transfer of economic benefits. For each class of contingent liability the authority will disclose the nature of the contingency, a brief description, an estimate of its financial effect, an indication of the uncertainties relating to the amount or timing of any outflow and the possibility of any reimbursement.

Notes

2 Significance of the Statement of Movement on the District Fund Balance

The movement on the District Fund balance adjusts the surplus or deficit generated by the Council in accordance with Generally Accepted Accounting Principles (GAAP). The closing balance is available to fund council services

The significant movement on the District Fund Balance is primarily due to a debit transfer of £66,810 to the capital finance account for deferred grants amortised in the year, a credit adjustment of £632,468 for the excess of depreciation over loan principle repayments, direct revenue financing of Capital of £225,349 and the nullification of the landfill provision of £1,297,987 charged to Environmental Services to meet future costs arising from the Crosstagherty Landfill Site closure in 2003. This cost will be met by the build up of the capital fund which has had £150,000 transferred this year giving the capital fund a balance of £982,453.

3 Analysis of the Movement of the District Fund Balance

	Notes	2007/2008 £	2007/2008 £	2006/2007 £	2006/2007 £
Surplus/(Deficit) for the year on the District Fund - Income and Expenditure Account			(2,475,011)		174,965
<i>Net additional amount required by statute and non- statutory proper practices to be debited or credited to the District Fund Balance for the year:</i>					
Transfer to Capital Financing Account					
Direct revenue financing of Capital Expenditure	10/21		(225,349)		(295,859)
Deferred grants amortised in the year	18/21		(66,810)		(47,407)
Landfill Provision			1,297,987		0
Loans fund principal/depreciation adjustment:					
Depreciation charged in the year	9	974,690		728,226	
Loans fund principal repayments during the year		(342,222)		(304,849)	
	21		632,468		423,377
Transfers to/from earmarked reserves					
Capital Fund			(150,000)		(32,017)
Renewal and Repairs Fund			0		0
Pension Reserve	16/21		0		0
Other Reserve transfers			0		0
Gain/loss on disposal of fixed assets	21		(2,630)		(13,500)
Other			0		0
Net adjustments to Income & Expenditure Account			1,485,666		34,594
Movement on the District Fund Balance for the year	21		(989,345)		209,559
District Fund balance Brought Forward	21		1,797,617		1,588,058
District Fund balance Carried Forward	21		<u>808,272</u>		<u>1,797,617</u>

Notes

4 Operating Expenses

(a) Section 115 Expenditure

Section 115 of the Local Government Act (Northern Ireland) 1972 enables councils to spend up to the aggregate of the product of a rate of 0.0596p in the pound on the rateable value of non-domestic hereditaments; and the product of a rate of 0.5p in the pound on the rateable value of domestic hereditaments (equivalent to £13,219 in 2007/2008 and £14,206 in 2006/2007) for the benefit of all inhabitants in their district, or part of their district on activities not specifically authorised by other powers. There was £7,000 of Section 115 expenditure incurred by Ballymoney Borough Council in 2007/2008 (£7,000 in 2006/2007).

(b) Section 115c Expenditure

Section 115c of the Local Government Act (Northern Ireland) 1972, as inserted by Article 41 of the Local Government (Miscellaneous Provisions) (Northern Ireland) Order 1992, requires Councils to maintain a separate record of its expenditure on publicity. This is analysed as follows:

	2007/2008	2006/2007
	£	£
Marketing	11,666	18,033
Advertising	48,502	47,876
	60,168	65,909

(c) External Audit Fees

	2007/2008	2006/2007
	£	£
Recurring Audit	16,576	11,089
Other Fees	2,971	2,271
	19,547	13,360

Notes

5 Employee Costs and Members' Allowances

(a) Staff Costs

	2007/2008	2006/2007
	£	£
Wages and salaries	2,752,727	2,555,144
National insurance	187,703	178,329
Superannuation	312,444	245,399
	3,252,873	2,978,872

The superannuation figure includes added years pension payments of £10,021

In addition the Council spent £385,021 on agency costs during 2007/08

(b) Average Number of Employees-where FTE represents full time equivalent employees

The average number of persons (full time equivalents) employed by the authority during the year was:

	2007/2008	2006/2007
	FTE	FTE
Office of Chief Executive	11	9
Central & Leisure Services	47	46
Borough Services	64	63
	122	118

(c) Senior Employees' Remuneration

The number of employees in the period whose gross pay, excluding arrears, fell in each bracket of a scale in multiples of £10,000 starting with £30,000 was :

Emolument Bands	2007/2008	2006/2007
	Number	Number
30,000 to 40,000	9	5
40,001 to 50,000	1	
50,001 to 60,000		2
60,001 to 70,000	2	
70,001 to 80,000	1	1
	13	8

Notes

(d) Members' Allowances

During the year, Members' allowances (section 36) totalled £230,398 (2006/2007 £157,660) and are as follows:

	2007/2008	2006/2007
	£	£
Basic Allowance	156,901	78,706
Attendance Allowance	2,803	34,144
Special Responsibility Allowances	15,510	11,403
Miscellaneous	39,156	24,278
Employer Costs	16,028	9,129
	230,398	157,660

6 Interest and Investment Income

(a) Interest Payable and Similar Charges

	2007/2008	Re-stated 2006/2007
	£	£
Total Interest charges	530,940	575,031
Other Interest Payable	0	0
Transferred Debt Interest	0	0
Balance to District Fund Income and Expenditure Account	530,940	575,031

(b) Interest and Investment Income

	2007/2008	2006/2007
	£	£
Short-term deposit interest	92,147	94,450
Car Loan Interest	0	0
Total interest and investment income	92,147	94,450

Notes

7 Related Party Transactions

Financial Reporting Standard 8 Related Party Disclosures (FRS 8) requires the Council to disclose all material related party transactions arising during the year. Related parties are bodies or individuals that have the potential to control or influence the Council or be controlled or influenced by the Council. Transactions with related parties not disclosed elsewhere in these financial statements are as follows:-

Community Associations/Other Bodies

Council paid a total of £45,353 in grants to 59 Community Associations. Only 2 of these organisations received amounts exceeding £2,000, as follows:

Citizens Advice Bureau	£26,171
Wave Trauma Centre	£2,227

In addition, grants were paid to 10 associations that had elected member involvement, namely,

- Ballybogey Community Association
- Balnamore & District Community Association
- Carnany Community Association
- Castle Community Association
- Druckendult & District Community Association
- Dunloy Development Association
- Glebeside Community Association
- Killyrammer & District Community Association
- Stranocum District Community Association

Group Committees

Ballymoney Borough Council is part of the Northern Group Building Control Committee and made an annual contribution of £16,700 to Derry City Council in respect of the year ended 31st March 2008. Ballymoney Borough Council is also a member of the Northern Group Systems (Environmental Health) and made an annual contribution of £29,687 in respect of the year ended 31st March 2008. Two elected members are appointed every four years to sit on each of the two committees.

Partnership Boards

Five elected members were board members of Ballymoney Local Strategy Partnership, which is a company limited by guarantee which was established to administer Peace Two Funding. The Partnership used Council premises free of charge and the Council provided financial and administrative services by way of a service level agreement.

External Bodies

1. Ballymoney Borough Road Safety Committee

Eight elected members represented Council on the Ballymoney Borough Road Safety Committee during the year ended 31st March 2008. During the financial year £1,000 was paid to the Committee.

Notes

2. Causeway Coast & Glens Tourism Partnership (Previously Causeway Coast & Antrim Glens Ltd)
One elected member was the Council's representative on the Executive Board of the CC>P and one senior officer was the Council's representative on the Management Committee. Payments totalling £16,632 were made to the Causeway Coast and Glens Tourism Partnership during the financial year.

3. Ballymoney Borough Twinning Association.

Four elected member are members of the Ballymoney Borough Twinning Association. During the financial year payments to the value of £8,000 were paid to the committee.

4. Causeway Coast & Glens Heritage Trust.

One elected member was the Council's representative on this Trust. Payments totalling £5,945 were made during the year.

5. Ballymoney Regeneration Company

Three elected members were board members of the regeneration company.

6. Ballymoney Sports Advisory Committee

Six elected members were the Council's representatives on the Sports Advisory Committee. The Council made payments totalling £7,000 to the Committee during the financial year.

7. North Antrim Community Network

Four elected members represent Council on the North Antrim Community Network. The Council made payments totalling £6,000 to the body during the financial year.

8. Acorn The Business Centre

Two elected members and the Chief Executive represent Council on Acorn The Business Centre. During the financial year no payments were made to Acorn.

8 District Rates

	2007/2008	2006/2007
Current Year Receipts	4,563,340	4,249,485
Receipt of 06/2007 Finalisation	75,670	
Receipt of 05/2006 Finalisation		299,459
	4,639,010	4,548,944

The current year figure of £4,563,340 does not include a debtor for rates due from the Rates Collection Agency as the amount concerned cannot be determined at this time.

9 Fixed Assets
Movement in Intangible and Tangible Fixed Assets 2007/2008

Notes

Cost or Valuation	TANGIBLE							Work In Progress	TOTAL
	Intangible Assets	Operational Land	Operational Buildings/ Structures	Operational Vehicles	Operational Plant/ Equipment	Operational I.T Equipment	Non-Op		
Value as at 1/4/2007	-	2,757,749	16,348,783	1,236,529	256,285	122,486	251,181	5,957,918	26,930,931
Additions	-	-	153,731	219,390	17,049	31,588	-	1,429,204	1,850,962
Disposals	-	-	-	16,242	9,915	-	-	-	26,157
Transfer from Work in Progress	-	-	4,460,509	-	506	4,571	-	(4,465,586)	0
Revaluations	-	-	-	-	-	-	-	-	-
Gross Book Value at 31/3/08	-	2,757,749	20,963,023	1,472,161	283,755	158,645	251,181	2,921,536	28,808,050
Depreciation									
Value as at 1/4/2007	-	418,432	4,247,374	984,945	183,518	108,790	5,233	-	5,948,292
Adjustment arising on revaluation	-	-	-	-	-	-	-	-	-
Charges	-	-	823,808	104,040	25,051	21,123	668	-	974,690
Disposals	-	-	-	16,242	9,915	-	-	-	26,157
As at 31/3/2008	-	418,432	5,071,182	1,105,227	218,484	129,913	5,901	-	6,949,139
Net Book Value									
As at 31/3/2008	-	2,339,317	15,891,841	366,934	65,271	28,732	245,280	2,921,536	21,858,911
As at 31/3/2007	-	2,339,317	12,101,409	251,584	72,767	13,696	245,948	5,957,918	20,982,639

The Council is not aware of any material changes in the value of freehold and leasehold properties and therefore the valuations have not been updated

The last valuation of freehold and leasehold properties was carried out as at 1 April 03 by an independent valuer from the Valuation and Lands Agency (VLA). The assets are due to be revalued again in their entirety on 1 April 2008.

Notes

10 Capital Expenditure And Financing

	Note	2007/2008	2006/2007
Capital Expenditure	9	1,850,962	1,395,427
Financed by			
Borrowings (incl Finance Leases)	20(c)	1,597,000	300,000
Grants Receivable	18	172,868	0
Revenue Contributions to capital	21	225,349	295,859
Sale of Assets	21	2,630	13,500
Transfer from Capital Receipts Reserve	21	0	0
Transfer from General Revenue Account		0	0
Surplus / (Deficit)		146,885	(786,068)
Balance brought forward		(1,060,209)	(274,141)
Balance carried forward		(913,324)	(1,060,209)

Loans will be drawn down during the 08/09 financial year to fund the deficit.

Funding from assets sales is included in this note when the sale takes place rather than when transfer from capital receipts reserve takes place.

Notes

At 31 March 2008 the Council had £2,921,538 of work in progress and is summarised as follows:

Drumaheglis Phase 4	75,372
Old Mill & Lands Cloughmills	13,164
Landfill Drainage	31,593
Crosstagherty Leachate Treatment Plant	145,169
Land at Townparks	34,797
Path JDLC to Riverside	276,555
JDLC Electrical Installation	79,620
Crosstagherty Landfill Closure Plan	7,600
Static Compactors	39,902
Megaw Park	12,372
Connect 2 Footbridge	10,713
Killyrammer Community Centre	53,920
Dunloy Football Pitch	76,510
Ballybogey, Rasharkin, Dervock Play Areas	162,658
Sand Mattress Pitches	126,028
Vehicles	71,015
Balnamore/Dunaghy Play Areas	132,676
JDLC Reception	307
JDLC Health Suite Refurbishment	457,757
Stranocum Play Area	2,805
Crosstagherty Landfill Barriers	240
Crosstagherty/Knock Road Improvements	67,925
Village Recycling Centres	560
Dunaghy/Balnamore Changing Rooms	355,660
Bus Shelters	2,135
JDLC Soft Play Area	396,264
Drumaheglis Multi Purpose Building	50
Play Area Improvements	153,199
Riada Stadium Car Park, CCTV, Cycle track	134,972
	2,921,538

Council had no significant capital commitments outstanding at 31 March 2008.

Notes

11 Stock

Stock is valued at the lower of cost or net realisable value. This is not materially different from valuation on a FIFO basis as recommended by SSAP 9.

	2007/2008	2006/2007
	£	£
Stock	40,146	36,692
	40,146	36,692

12 Debtors

	2007/2008	2006/2007
	£	£
Debtors: amounts falling due in less than one year		
Government departments	287,824	141,649
VAT	203,712	215,403
Payments in advance	7,305	10,980
Other	206,590	198,629
	705,431	566,661

13 Short - Term Investments

	2007/2008	2006/2007
	£	£
Bank Deposits	1,630,000	1,750,000
	1,630,000	1,750,000

14 Creditors/Accruals

	2007/2008	Re-stated 2006/2007
	£	£
Amounts falling due in less than one year		
VAT		2,292
Other	540,519	43,983
Capital Accruals	112,205	250,346
Borrowing repayable within one year	404,051	418,989
	1,056,775	715,610

Notes

15 Borrowing Re-Payable Within A Period In Excess Of One Year

	Total outstanding at	
	2007/2008	2006/2007
Maturing between 1 and 3 years	864,211	733,452
Maturing between 4 and 6 years	1,247,980	1,070,765
Maturing between 7 and 10 years	1,962,485	1,614,026
Maturing in more than 10 years	5,085,674	4,572,405
	9,160,350	7,990,648

All borrowings are sourced from Government Loans Fund with interest rates ranging from 4.375% to 15%

16 Provisions

(a) Pensions Provision

Councils are required to account for pensions as per FRS 17 (Retirement Benefits). As Northern Ireland Councils are only required to account for their pension payments on a defined contribution basis only those sections of FRS 17 pertaining to added years are relevant. Councils are required to disclose capital values of compensatory added years. The difference in the appropriate recognised cost of pensions for the year and the actual expenditure is carried as a provision in the Balance Sheet. The provision is matched in the Pensions Reserve which is written down, as appropriate, in future years

Movements on this pension provision are as follows:

	2007/2008	2006/2007
	£	£
Balance at 1 April	119,356	129,031
Liabilities for added years(current year)	0	0
Less Payments to NILGOSC	(10,021)	(9,675)
Valuation adjustment based on NILGOSC tables	25,003	0
Credit Balance at 31 March	134,338	119,356

Notes

(b) Landfill Provision

The current discounted provision has been made on the assumption that the Council will not have to pay for its capping materials and that the re-engineering works will not start until 2013. The capping materials expense issue will become clearer in the next couple of years, but should the Council have to pay for same then the year end discounted provision would increase to £1.8 million. The council has plans in place to ensure that the Capital Fund matches the discounted landfill provision by March 2011.

	2007/2008 £	2006/2007 £
Balance at 1 April	0	0
Valuation based on latest estimates	1,297,987	0
Credit Balance at 31 March	1,297,987	0

(c) Single Status Provision

Provision has been made in the accounts for the estimated costs of single status relating to back pay resulting from job evaluations. This provision takes no account for any potential costs arising from appeals.

	2007/2008 £	2006/2007 £
Balance at 1 April	0	0
Valuation based on latest estimates	550,691	0
Credit Balance at 31 March	550,691	0

17 Bank Balances

Balances on the Council's bank accounts as at 31 March 2008 were as follows :

	2007/2008 £	2006/2007 £
Revenue Account	410,458	283,900
Capital Account	(818,766)	(807,784)
Economic Development Account	20,573	44,085
Rural Development Account	0	0
Imprests	1,225	1,225
	(386,510)	(478,574)

Notes

18 Government Grants Deferred

The movements on the government grants deferred account in 2007/2008 are shown below :

	2007/2008	2006/2007
	£	£
Balance at 1 April	951,206	998,613
Grants income received	172,868	0
Transfers :		
Amount released to District Fund-I&E Account	(66,810)	(47,407)
Balance at 31 March	1,057,264	951,206

19 Reconciliation of Surplus to Net Cash Inflow from Operating Activities

	Note	2007/2008		2006/2007	
		£	£	£	£
Surplus/Deficit for year			(2,475,011)		174,965
<u>Non-cash transactions</u>					
Depreciation	3/9	974,690		728,226	
Deferred grants amortised in year	3/18/21	(66,810)		(47,407)	
Cash payments to NILGOSC		(10,021)			
Contributions to Other Reserves/Provisions		1,848,022			
			2,745,881		680,819
<u>Adjustment for items reported separately on Cashflow</u>					
Interest and Investment Income	6(b)		(92,147)		(94,450)
Interest payable and similar charges including gains or losses on the repurchase or early resettlement of borrowings	6(a)		530,940		575,031
Interest element of finance lease payments	6(a)				
Gain or loss on disposal of fixed assets	3/21		(2,630)		(13,500)
<u>Items on an accruals basis</u>					
(Increase)/Decrease in stock			(3,454)		3,435
(Increase)/Decrease in Debtors			(138,800)		(73,665)
Increase/(Decrease) in creditors			274,089		256,028
Net Cash Inflow from Operating Activities			838,868		1,508,663

Notes

20 (a) Analysis of Changes in Cash and Cash Equivalents During the Year

	Notes	2007/2008 £	2006/2007 £	Change in the year £	2006/2007 £
Temporary Investments	13	1,630,000	1,750,000	(120,000)	(520,000)
Cash		1,225	1,225	0	15
Bank Overdraft	17	(387,735)	(479,799)	92,064	243,303
Total		1,243,490	1,271,426	(27,936)	(276,682)

(b) Analysis of Net Debt

	Cash £	Tempor- ary Inve- stments £	Cash at Bank and in Hand £	Loans due within one year £	Loans due after more than one year £	Net Debt £
Bal at 1 April 2007	(478,574)	1,750,000	1,271,426	(336,975)	(7,990,648)	(7,056,197)
Cashflow/Change in year	92,064	(120,000)	(27,936)	(67,076)	(1,169,702)	(1,264,714)
Bal at 31 March 2008	(386,510)	1,630,000	1,243,490	(404,051)	(9,160,350)	(8,320,911)

(c) Reconciliation of Changes in Cash to Movements in Net Debt

	2007/2008	
	£	£
Increase in cash in year		92,064
Cash inflow/(Outflow) from management of Liquid Resources		(120,000)
Cash inflow from new loans raised		(1,579,000)
Cash outflow from: Loans repaid		342,222
Change in net debt resulting from cash flows		(1,264,714)
Net debt b/fwd		(7,056,197)
Net debt c/fwd		(8,320,911)

Notes

(d) Analysis of Government Grants shown in the Cash Flow Statement

	2007/2008
	£
CAPITAL GRANTS	172,868
Sub-total	<u>172,868</u>
REVENUE GRANTS	
Cultural Facilities	19,419
Environmental Health	88,910
Economic Development	90,691
Community Relations	56,774
Recreation Parks and Open Spaces	9,336
Sports Development	76,627
Museum	1,095
Tourism	6,894
Waste Management	21,356
Minor Works	10,000
District Policing Partnership	89,293
Registration of Births, Deaths & Marriages	26,179
Community Safety	109,879
Sub-total	<u>606,453</u>
Total Grants	<u><u>779,321</u></u>

Notes

21 MOVEMENT ON RESERVES

	Revaluation Reserve	Capital Adjustment Account	Useable Capital Receipts Account	Pensions Reserve	Capital Fund	District Fund	Other Reserves	TOTAL
	£	£	£	£	£	£	£	£
Balance at 1 April 2007	21(a)	21(b)	21(c)	16	832,453	1,879,631	0	13,162,582
	0	8,900,527	1,669,327	(119,356)				
Prior Year Adjustment	24					(82,013)		(82,013)
Re-Stated Balance at 1 April 2007	0	8,900,527	1,669,327	(119,356)	832,453	1,797,618	0	13,080,569
Movements on reserves during Year:								
Capital Grants Released	18	66,810						66,810
Direct Revenue Financing	3/10	225,349						225,349
Loans fund principle/depreciation adjustmer	3	(632,468)						(632,468)
Receipts Applied						(989,346)		(989,346)
Payments to NILGOSC	16/21			10,021				10,021
Disposal of Fixed Assets/Capital Sales	9		2,630					2,630
Capital Receipts used to finance capital expenditure		1,544,508	(1,544,508)					0
Landfill Site Provision		(1,297,987)						(1,297,987)
Transfer to Capital fund					150,000			150,000
Revaluation	10/16			(25,003)				(25,003)
Total movements on reserves during year(Change in Net Worth)	0	(93,788)	(1,541,878)	(14,982)	150,000	(989,346)	0	(2,489,994)
Balance at 31 March 2008	0	8,806,739	127,449	(134,338)	982,453	808,272	0	10,590,575

Notes

22 (a) Revaluation Reserve

The Reserve records the accumulated gains on the fixed assets held by the authority arising from increases in value as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value).

The Reserve is also debited with amounts equal to the part of depreciation charges on assets that has been incurred only because the asset has been revalued. On disposal, the Revaluation Reserve balance for the asset disposed of is written out to the Capital Adjustment Account. The overall balance on the Reserve thus represents the amount by which the current value of fixed assets carried in the Balance Sheet is greater because they are carried at revalued amounts rather than depreciated historical cost.

Whilst these gains arising from revaluations increases the net worth of the authority they would only result in an increase in spending power if the relevant assets were sold and capital receipts generated.

(b) Capital Adjustment Account

The Account accumulates (on the debit side) the write-down of the historical cost of fixed assets as they are consumed by depreciation and impairments or written-off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (deferred charges). The balance on the Account thus represents timing differences between the amount of the historical cost of fixed assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

(c) Usable Capital Receipts Account

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

The movements on the capital receipts account in 2007/2008 are shown below :

	2007/2008	2006/2007
	£	£
Balance at 1 April 2007	1,669,328	1,655,828
Capital receipts :		
Vehicles	434	13,500
Plant/Equipment	2,195	0
Buildings	-	0
Land	-	-
Capital receipts used for financing	(1,544,508)	0
Balance at 31 March 2008	127,449	1,669,328

Notes

(d) Capital Fund

This fund has been established under section 56 of the Local Government Act (NI) 1972 for the anticipated costs of closure of the landfill site with a limit of £1,500,000. During 2007/8 £150,000 was transferred into the fund, £33,298 of this amount was interest accruing to the fund.

23 Contingencies

Landfill Closure Costs

The current discounted provision has been made on the assumption that the Council will not have to pay for its capping materials and that the re-engineering works will not start until 2013. The capping materials expense issue will become clearer in the next couple of years, but should the Council have to pay for same then the year end discounted provision would increase to £1.8 million. The council has plans in place to ensure that the Capital Fund matches the discounted landfill provision by March 2011.

The capital fund established to provide for these costs is as detailed in notes 21 and 22(d)

Single Status

Provision has been made in the accounts for the estimated costs of single status relating to back pay resulting from job evaluations. This provision takes no account for any potential costs arising from appeals.

24 Prior Year Adjustments

Interest Payable

The balance on creditors payable within 1 year at 31 March 2007 has been adjusted to reflect an accrual for interest payable at that date. Subsequently the Balance on District fund has also been adjusted to account for the additional interest payable charged to previous years.

Revaluation Reserve

The Balance Sheet figures for 31 March 2007 have been adjusted from those included in the Statement of Accounts for 2006/2007 to accommodate the implementation of the Revaluation Reserve (see note 22). The Revaluation Reserve replaces the Fixed Asset Restatement Account (FARA). The credit balance of £10,140,211 on the FARA at 31 March 2007 has been written off to the Capital Financing Account (debit balance £1,239,684) to form the new Capital Adjustment Account with a credit balance of £8,900,527. The Revaluation Reserve has been included in the Balance Sheet with a zero opening balance. The closing position on the Reserve at 31 March 2008 therefore only shows revaluation gains accumulated since 1 April 2007.

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Accounts Authorised for Issue

In accordance with Financial Reporting Standard 21 (FRS 21) this Statement of Accounts which contains a number of minor narrative amendments from the Accounts approved on 23 June 2008 are at today's date hereby authorised for issue.

FRS 21 sets out

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

Signed 
Chief Financial Officer

Date 28/10/2008