

Coleraine Borough Council
Statement of Accounts 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 2014/2015 (the Code) and the Department of the Environment Accounts Direction, Circular LG 12/15 dated 31st March 2015. It is the purpose of this foreword to explain, in an easily understandable way the financial facts in relation to the Council.

This Statement of Accounts explains Coleraine 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. Coleraine 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 20, 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 21, 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 22, 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, as set out on page 23, 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**Outturn**

For the year ended 31 March 2015 the Council's General Fund increased by £151,651 to £3,945,422. The Council's budget of £18,974,376 was supplemented by £218,288 for prior year(s) finalisation payment of district rates - (Note 9 refers). The total net expenditure reported in the Comprehensive Income and Expenditure Statement is £20,979,197.

The amount to be raised through Rates and General Grant in the annual estimates process was £18,974,376-(2014- £18,560,236). A comparison between budgeted and actual net cost for Council is summarised below.

		2014/2015			2013/2014		
	Notes	Actual £	Budgeted £	Variance £	Actual £	Budgeted £	Variance £
Movement In General Fund	3	151,651	(620,000)	771,651	1,151,440	(260,000)	1,411,440
Income							
General Grant	9	594,986	582,834	12,152	582,834	623,956	(41,122)
Rates Income	9	19,192,664	18,974,376	218,288	18,689,967	18,560,236	129,731
Taxation Income		19,787,650	19,557,210	230,440	19,272,801	19,184,192	88,609
Net operating expenditure as reported	CIES	20,979,197			22,641,280		
Adjustments between accounting basis and funding basis under regulations	3	505,694			(2,728,088)		
Capital grants	3 / 9	(2,153,336)			(2,096,275)		
Reallocations	3	304,444			304,444		
Net Expenditure per Funding Basis		19,635,999	20,177,210	(541,211)	18,121,361	19,444,192	(1,322,831)
Favourable / (unfavourable) variances		151,651	(620,000)	771,651	1,151,440	(260,000)	1,411,440

The reasons for the current year variances are summarised as follows:

	2014/2015 £
Utility Savings	162,988
Transport Savings	67,337
Waste Disposal Savings	199,705
Building Control Savings and Additional Income	218,079
Environmental Efficiency Savings and Additional Income	144,265
Increase in Rates Income	218,288
Redemption of Loan Premium Account	(240,814)
Sundry	1,803
Current year variances from budget estimates	771,651

The movement in General Fund includes allocations to the following funds:

	Notes	2014/2015	2013/2014
		£	£
Sinking Fund	3	(304,444)	(304,444)
		(304,444)	(304,444)

Unusual charges or income

Council had for several years maintained a Loan Premium Account which represented capitalised loan charges associated with the early redemption of maturity loans. This Loan Premium Account was written off in the current year resulting in additional loan charges of £ 240,814 fully reflected under Interest Payable and Similar Charges (Note 8) to the accounts.

Capital Expenditure

Capital Expenditure amounted to £6,403,391 during the year - Note 10a refers. The main items of capital expenditure were as follows:

	2014/2015
	£
Juniper Hill Caravan Site Upgrade	1,558,398
Rugby Avenue	1,286,385
West Bay Environmental Improvement Scheme	708,039
Castlerock, Whiterocks and Portballintrae Improvement Schemes	270,324
PV Installations	265,288
Civic Headquarters Upgrade	237,858
Carrick Dhu Caravan Site Upgrade	204,280
Depot Upgrades	122,855
Harpur's Hill Community Centre	148,078
Portrush Harbour	69,014
Station Square	64,457
Vehicles, Plant and Equipment	1,258,786
Sundry	209,629
	6,403,391

Sources of Finance for Capital Expenditure

Sources of Finance for Capital Expenditure	2014/2015	2013/2014
	£	£
New Loans	2,972,758	0
Grants	2,153,336	2,096,275
Direct Revenue Financing	0	11,205
Total Sources of Financing	5,126,094	2,107,480

Borrowings

Council drew down new loan finance amounting to £2,972,758. The Council's total borrowings at the year end were £33,311,890

The Council's net debt position is as follows:

Net Debt	2014/2015	2013/2014
	£	£
Bank Overdraft	201,124	0
Short Term Borrowing	1,866,577	1,771,655
Long Term Borrowing	31,445,313	30,098,358
Total Borrowings including overdraft	33,513,014	31,870,013
Cash and Cash Equivalents	2,628,884	2,852,062
Total Investments and Cash Equivalents	2,628,884	2,852,062
Total Net Debt	30,884,130	29,017,951

Provisions

Landfill provision remains the Council's sole provision and increased by £506,373 from £2,994,461 to £3,500,834 (Note 18a to the accounts refers).

Pensions

The pension liability rose by £ 2,598,070 from £ 11,559,464 to £ 14,157,534 (Note 20 to the accounts refers).

Post Balance Sheet Events

See Note 29.

Significant changes in Accounting Policies

There have been no significant changes in accounting policies.

Significant changes in Statutory Functions

Whilst there were no significant in year changes in Statutory Functions, Coleraine Borough Council merged with 3 neighbouring Councils to form the new Causeway Coast and Glens Borough Council on 1st April 2015. Central Government has devolved some new Statutory Functions to this new organisation namely Planning and Off-Street Car Parking.

Impact of the Current Economic Climate

Coleraine Borough Council maintained its close links with Central Government Funding Departments and there was no impact on grants received in 2014/15. In the near future, however, such funding may be adversely affected.

The Council Service most affected by the economic climate has been Building Control. Turnover increased by £57,896 in 2014/15 from £340,794 in 2013/14 and from £309,053 in 2012/13. This marks a 17% and 10% increase in Building Control Income respectively - this may indicate a tentative recovery in the construction industry.

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

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

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

These accounts were approved by Causeway Coast and Glens Borough Council's Audit Committee on 14 October 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.

Coleraine Borough Council**Annual Governance Statement****Scope of Responsibility**

Coleraine Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiency and effectively. Coleraine Borough 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, Coleraine Borough Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

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

The Purpose of the Governance Framework

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

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

The governance framework has been in place at Coleraine Borough Council for the year ended 31 March 2015 and up to the date of approval of the financial statements.

Communicating the Corporate Vision for citizen's and service users

Coleraine Borough Council has worked with the other three Councils in the Causeway Coast and Glens Cluster to ensure effective convergence takes place in April 2015 as part of the Local Government Reform Programme. Various working groups have been established to progress this important area of work. A new corporate vision has been created in draft format for the period beyond April 2015. Coleraine Borough Council continued to work with Cluster Councils in the Causeway Coast and Glens to develop objectives for the period beyond 2015, when the new structure for local government will be in place.

The themes in Coleraine Borough Council's corporate plan have not changed over the last few years and, as they are still relevant, no new plan has been produced for the remaining life of Council. The strategic priorities listed below are still referred to in all reports going to Council or any of the Committees:-

- Promoting Community Participation
- Building Prosperity
- Supporting Health & Leisure
- Providing Civic Leadership
- Protecting The Environment
- Planning For The Future

These strategic priorities were designed to ensure Council's vision is realised, with each objective having a series of sub-objectives and actions.

Through departmental risk registers, Council's Senior Leadership Team and Heads of Service reviewed all risks during 2014/2015 to ensure that all risks were identified and managed accordingly. This mechanism ensures that the strategic objectives are met. All Heads of Service identified risks that may affect the delivery of their service plan objectives and signed off a Head of Service Assurance Statement to show a commitment that this would be carried out. The independent audit of Council's Health and Safety management systems carried out in 2013/14 formed an integral part of these reviews.

Review of governance arrangements

In February 2014 Council reviewed governance arrangements deciding, in principle, to keep the committee structure, allow the press and the public access to committees and to further review the remaining components of the pilot arrangements at a later date. At a Council workshop on 2 April 2014, Members considered a range of issues arising from the pilot period (September 2013 – March 2014) when the following amendments were agreed:-

- All business would be ratified at one Council meeting on the 4th Tuesday of each month.
- 5 Committees would be retained (Environmental Services/Leisure and Development/Corporate Affairs/Audit and Risk/Planning).
- Committee membership – Planning to remain at 22 members with 11 members and the Chair for all other Committees.
- Meeting rhythm – new cycle of meetings proposed.
- Reports and Minutes – reports for all committee meetings will be circulated to all Members on the Thursday preceding the meeting by e-mail. Minutes will be circulated to members by e-mail on the Thursday before the Council meeting. Paper copies of Minutes and Reports will be provided by exception on request.

At a Council meeting held on 27th May 2014, it was agreed to implement these amendments following the Annual meeting in June 2014.

In October 2014, discussions were held with Party Leads with regard to the efficient and effective management of Council business, taking account of the additional pressures officers and members were under due to Local Government Reform. As a result of these discussions, it was proposed at November's Corporate Affairs Committee and agreed by Council on 25 November 2014 that no Committee meetings would be held during December 2014 – March 2015, except where the Chair of the Committee, in consultation with officers, agreed that there was essential business requiring a meeting of Committee. The only exceptions to this cycle were the Audit and Risk Committee, which met in January 2015 and the Planning Committee which continued to meet prior to the Council meeting on the 4th Tuesday of each month.

Performance/Financial Management/Quality of Council Services

Council has created stronger linkage between its corporate priorities and service objectives through the business planning process and reporting systems. Financial performance is assessed through regular budget meetings and is reported to Senior Management Team and Council if required. Senior officers undertake periodic review of Council performance against its strategic priorities and associated objectives. Council continues to monitor, review and take corrective action as necessary in striving to achieve maximum satisfaction with Council services, within the allocated resources. For certain services, this includes the use of evaluation forms, complaints, customer surveys and the analysis of complaints where appropriate. To underpin this process, in 2014/2015 all Heads of Service produced a list of key service priorities, which were presented to Council's Senior Leadership Team and reviewed prior to 31 March 2015. There are no significant deviations to report.

Council continues to work with Cluster colleagues in projects such as joint procurement in order to achieve best value in the use of resources. Council also participated in various collaborative procurement exercises on behalf of Causeway Coast and Glens District Council to ensure that proper arrangements are in place for 1 April 2015. Examples include insurance contracts and annual tenders.

Performance Measurement is being underpinned by a financial planning process that helps Elected Members to better prioritise both capital and revenue spend. Following the striking of the District Rate in February 2014, a capital programme workshop was held in April 2014. This workshop included an update on capital projects completed in 2013/2014, live major projects planned for 2014/2015 and pipeline projects planned for 2014/2015. Council approved tenders received throughout the year for all projects in excess of £30,000.

Decision Making and Delegation

All policy decisions are taken by full Council after consideration by the Senior Leadership Team and the appropriate Committee. A number of operational matters are delegated to Senior Management. No formal scheme of delegation exists but, as indicated in the Review of Governance Arrangements section above, changes have been made to Committee structure and reporting methods.

Roles and Responsibilities

The roles and responsibilities of the Members of Council are defined by the Northern Ireland Code of Local Government Conduct. These have been supplemented by a guidance and advice folder on their role and responsibilities which was provided to each councillor by NILGA following the last local government election.

Roles and responsibilities of Senior Officers are defined by job descriptions, job specification and terms and conditions of employment. There are no formal staff performance appraisal/management systems in operation at present; however this initiative may be progressed in a consistent manner in future by the Local Government Reform Cluster Group.

All internal policies and procedures are available on Council's intranet for information, and are also included as part of the induction process for all new employees.

Scrutiny is provided by the Audit and Risk Committee, Internal Audit and the Local Government Auditor.

Standards of Behaviour/Codes of Conduct

The behaviour, standards, and ethics expected of elected members are outlined in the Code of Conduct for Councillors issued by the Department of the Environment (NI). Behaviour at Council meetings is regulated through Council's Standing Orders. The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (NI) 2014 applied Part 9 (Conduct of Councillors) of the Local Government Act (NI) 2014 to Councillors of the existing 26 Councils. These regulations modified the Declaration of Acceptance of Office to affirm members' obligation to observe the Northern Ireland Code of Conduct in the performance of their functions as a Councillor. Prior to Council's Annual Meeting, the Chief Executive summarised the contents of the Code advising that failure to sign the declaration would result in members not being able to take part in the Annual Meeting or any subsequent meetings of Council until they do sign up. All members signed the Declaration of Acceptance of Office.

Employees are subject to a Code of Conduct adapted from a model code issued by the Local Government Staff Commission for Northern Ireland, and also a number of specific policies. All relevant documentation is provided to Members and staff as part of induction training, and further specific training is organised as required. A register of gifts and hospitality exists for Members and Officers. The induction process for all new staff includes details of the following policies and procedures:-

- Introduction to Council – objectives and code of conduct
- Policies and procedures
- Equal opportunities
- Harassment
- Disciplinary/Grievance
- Absence
- Other Leave
- Flexible working arrangements
- Understanding your payslip
- Good relations
- Health and safety
- Probationary period
- Training and development

Review of Standing Orders/Financial Regulations

Council has adopted Standing Orders, which govern how decisions are taken.

Financial Regulations are also in place. Both documents are reviewed periodically. Council has also adopted a revised Risk Management Policy Statement and Strategy, which requires the identification of corporate and departmental risks, the assessment of impact and likelihood of those risks and the mitigating controls in place. Council has Corporate and Departmental risk registers in place. In terms of Corporate Health and Safety, a significant amount of work has been carried out during 2014/2015. An update was provided to members by Council's Corporate Health and Safety Manager. This is expanded on in the significant governance issues section of the Governance Statement.

Audit and Risk Committee

Council has an Audit and Risk Committee, which has a written constitution, terms of reference and remit. The Committee receives internal and external audit reports, and scrutinises financial reports and risk management issues. The Committee comprises eleven Elected Members of Council drawn from the main political parties represented on Council. The Town Clerk and Chief Executive, Assistant Director of Finance and Support Services and Internal Auditor normally attend all meetings with other Directors and Heads of Service in attendance as required. The Audit and Risk Committee met on 4 occasions between April 2014 and March 2015. Representation was made by Northern Ireland Audit Office at all of these meetings. With effect from June 2014, formal minutes were taken at each Audit Committee meeting with these minutes subsequently approved by full Council. Items presented at meetings included:-

- Annual Audit Letter (NIAO) – Coleraine Borough Council and Peace 3 Joint Committee
- Report to those Charged with Governance (NIAO) – Coleraine Borough Council and Peace 3 Joint
- NIAO Strategy (NIAO)
- Annual Internal Audit Plan 2014/2015
- Approval of Annual Accounts
- Treasury Management Updates
- National Fraud Initiative – update on 2012/2103 matches
- National Fraud Initiative – June 2014 Report
- External Health & Safety Audit update
- Report on CCTV provision
- Internal Audit Charter
- Annual Internal Audit Report and Assurance Statement
- Conformance with the Public Sector Internal Audit Standards (PSIAS) Checklist
- Annual Governance Statement Checklist
- Post Project Evaluations (Capital Schemes) following approval of template
- Risk Management Policy Statement & Strategy
- Industrial Tribunals Update
- Internal Audit Reports – specific audits presented to the Audit and Risk Committee in 2014/2015
 - Absenteeism
 - Fleet Management
 - Payroll
 - Kilrea Sports Complex
 - Trade Waste
 - Flowerfield Arts Centre
 - Jim Watt Sports Centre
 - Creditors
 - Income Spot Checks – Seasonal Facilities
 - Mooring Spot Checks – Marina/Harbours
 - Golf Course – Ticket Spot Checks
 - Touring Spot Checks – Caravan Parks/Harbours/Marina

Due to the timing of audit committee meetings and the cessation of business of Coleraine Borough Council, audits were carried out without presentation to the Audit and Risk Committee in the following areas:-

- Payroll
- Creditors/Peace 3 Review
- Building Regulations
- ICT Review
- Craigahulliar/Letterloan Review
- Jim Watt/Kilrea Sports Halls

All of the above audit areas received at least a satisfactory level of audit assurance and have been reviewed by Council's Senior Leadership Team.

Compliance

The Senior Leadership Team meets weekly and compliance with relevant laws and regulations will be discussed at these meetings as required. In 2014/2015, Council's Senior Management Team (all Heads of Service) also met on a monthly basis. Internal policies and procedures are updated and renewed as and when required to reflect legislative changes and agreed recommendations by both Internal and External Audit. These will then be circulated to relevant staff when reviewed.

In terms of lawful expenditure, special council meetings/briefings with members are held annually to discuss the proposals for Estimates for the forthcoming year. In terms of expenditure, the annual estimates booklet sets out the budget allocated to each cost centre for payroll, other expenditure and income. When the estimates are agreed, these figures are the agreed benchmark for budgetary control purposes in the next financial year.

The Town Clerk and Chief Executive is also the Council's Chief Financial Officer, as outlined in Section 54 of the Local Government Act (Northern Ireland) 1972. The Chief Financial Officer is charged with ensuring the lawfulness and financial prudence of decision-making, providing advice and guidance and ensuring that expenditure incurred is lawful. The financial arrangements within Council conform with the governance requirements of the CIPFA Statement on the role of the Chief Financial Officer (CFO) in Local Government (2010) as set out in the Application Note to Achieving Good Governance in Local Government Framework. The CIPFA Code of Practice on Local Authority Accounting in the UK 2011/2012 requires local authorities to include a specific statement on whether the authority's financial management arrangements conform with the CIPFA Statement on "The Role of the Chief Financial Officer in Local Government" and where they do not, an explanation of how they deliver the same impact.

Council's financial management arrangements do comply with this statement with the exception of Principle 5 "The CFO in a local authority must be professionally qualified and suitably experienced." The Local Government Finance Act (Northern Ireland) 2011, however, does not require the CFO to be professionally qualified and, in the case of Coleraine Borough Council, the CFO is suitably experienced. The CFO is also supported by suitably qualified and experienced staff (including 2 qualified accountants throughout 2014/15) within the Finance function to ensure that decisions made by the CFO are based on sound technical knowledge and understanding.

In terms of service specific compliance, service departments are kept up to date through various subscriptions to online expertise, legal advice as required, support from Group systems for building control and environmental health and ongoing training.

Whistle blowing, Fraud & Corruption

Council has a fraud and corruption policy, which has been updated to reflect the Bribery Act, and sits alongside a supplementary whistle-blowing policy. Council also operates a formal system for public complaints, which are referred to the relevant department and responded to within set deadlines, with the opportunity to have complaints referred to a higher level within the organisation where the complainant is not happy with the response.

Council has also responded to a number of Freedom of Information requests throughout the year.

The National Fraud Initiative (NFI) is a data matching exercise run by the Audit Commission, designed to help participating bodies identify possible cases of fraud and detect and correct any overpayments from the public purse. The exercise commenced on 29 January 2013. Examples of matches include payroll, pension and creditors. The NFI applies recommended filters to highlight matches which are to be prioritised for investigation. Investigative work was carried out by Council's Internal Audit and Risk Manager on all key reports. Outcomes were recorded on the web application and closed off accordingly. No instances of fraud were detected as a result of this exercise. Data was submitted in relation to the next NFI exercises by the due date.

Communication with the public and other key stakeholders

Council consults with various bodies and its local population in relation to important strategic or policy development matters. External communication is led by a dedicated public relations team. Council currently communicates with wider stakeholders through the Council website, Social Media and through press and media releases. The Internet provides a wide range of information on Council services, Council meetings, Council minutes etc. There is a compliments/complaints link on the home page, where members of the public can submit comments on Council services. Internal communication systems include Council's intranet, email, written correspondence and a mixture of formal and informal team meetings.

Development of Members and Officers

Council officers undertake essential development training on an annual basis. Council has made provision in the current budget for the development of its Elected Members. As part of Council's ongoing convergence work towards Local Government Reform, the Cluster group of Human Resource Managers is also delivering a consistent and coordinated approach to training. Much of the training was subsidised through the capacity building funding stream made available to local Councils as part of the Local Government Reform process.

Local Government Reform

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

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

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

Coleraine Borough Council therefore merged with the three neighbouring Councils of Coleraine, Limavady and Moyle in April 2015. Necessary preparations were advanced throughout the year with the appointment of a Transition Management Team comprising legacy Council officers and the Chief Executive of Causeway Coast and Glens District Council. Coleraine Borough Council continued to work throughout 2014/2015 with the other Councils, at both officer and member level, to identify areas where collaboration is beneficial. A Shadow Council was elected in May 2014 and as the reform agenda gathered momentum, the frequency of meetings and workload increased substantially in all areas of Council.

The Chief Executive of the new Causeway Coast and Glens Council was appointed in April 2014, with the previous Chief Executive of Coleraine Borough Council taking up post in another Council area. Arrangements were put in place in Coleraine Borough Council to ensure continued good governance in 2014/2015 with long experienced staff seconded or appointed to key positions.

Review of Effectiveness

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

The Internal Auditor, who reported in 2014/15 to the Assistant Director of Finance and Support Services, carries out an annual programme of work based upon a three-year strategic plan. This plan is approved by the Audit and Risk Committee and takes account of risk inherent in Council's activities.

The Internal Auditor provides an independent opinion on the adequacy and effectiveness of the internal control system. In order to ensure independence, the Internal Auditor has access, if required to the Town Clerk and Chief Executive and the Chair of the Audit and Risk Committee. The Internal Auditor presents a quarterly report to the Audit and Risk Committee. It should be noted that while the Internal Audit has identified the need for certain improvements, there were no issues raised that are considered to represent a significant governance issue.

Significant Governance Issues

Separate from the Internal Audit Function, Council management have reviewed Council practices and several issues have emerged, which merit attention.

- The review of Council's decision-making structures is fully explained within the Review of Governance section;
- As progress towards Local Government Reform continues, there were significant resources required to implement various projects and initiatives associated with the Reform Programme, whilst maintaining Council service delivery. Coleraine Borough Council's Senior Leadership Team ensured that appropriate cover was maintained in all key areas of Council business.
- Council reviewed all aspects of risk during the year and a Risk Management and Policy was approved by Council. In 2014/2015 all Heads of Service were required to sign an assurance statement which required confirmation of compliance in various areas e.g. procurement policy and financial regulations, risk identification, internal controls, project management. The overall assurance was reviewed by the Corporate Director, then by the Chief Executive.
- In October 2013, Council was convicted of 3 offences under the Health & Safety at Work (NI) Order 1978 following the death of a Council employee at one of Council's Civic Amenity Sites in 2011. The written judgement in the case made a number of recommendations which would result in an improved level of health and safety for persons in the employment of the Council and for those availing of services provided by Council. Since October 2013 discussions have been ongoing with the Health and Safety Executive for Northern Ireland (HSENI) to consider the implications of the judgement in this case, not only in relation to Coleraine Borough Council but how the entire local government sector in Northern Ireland should respond.

In December 2013 Council tendered for an independent audit of the current health and safety management systems in place throughout the Council. This tendering exercise resulted in Willis Risk Management Consultancy being appointed. Willis is Council's current insurance broker and as such has extensive knowledge not only of Coleraine Borough Council, but the local government sector generally.

The Audit Report was constructed into a number of sections (Health & Safety Policy/Organisation/Planning/Monitoring Performance/Audit and Review) with each section further divided into a number of subsections. Each subsection had a series of recommendations prioritised into 3 categories:-

- o Priority 1 – requires attention within 6 months
- o Priority 2 – requires attention within 12 months
- o Priority 3 – requires attention within 18 months

Priority 1 actions have been addressed. The Priority 2 and 3 recommendations are being further assessed and grouped into an action plan to ensure that each recommendation is fully implemented within the necessary timeframe.

The general thrust of the recommendations fell into 4 themes:-

- 1 Governance – a more strategic role for the Health and Safety Committee and the reporting of health and safety audits to the audit committee.
- 2 Roles and Responsibilities – a clear organisational strategy of making line managers responsible for health and safety within their teams and holding them to account. Council's health and safety advisor will take on a role akin to internal health and safety audit. There will be greater awareness at elected Member level of health and safety audits.

- 3 Resources – health and safety training for managers and employees should be ring fenced.
- 4 Corporate Risk – health and safety is to be regarded as a corporate risk.

Addressing these 4 themes will in turn deal with many of the recommendations made in the various sections of the audit. The remaining recommendations not catered for in this way will be managed as standalone issues.

This audit and the recommendations made therein are part of the process of taking health and safety management in local government to a new level. Health and safety will be a corporate priority which will be driven by elected Members through the Audit Committee. Discussions with HSENI confirm this as their considered and preferred direction of travel for the local government sector and are keen for Coleraine Borough Council to drive and champion this new culture within the sector. As 11 new organisations are formed, it is important that health and safety is recognised as a key corporate priority. HSENI have already indicated that they are happy to assist and support all of the new Councils in developing and shaping their health and safety culture and corporate approach at the earliest possible opportunity.

In 2014/2015, Council's Corporate Health and Safety Manager provided members of the Audit and Risk Committee with an update on progress.

- During the year, Council received three notices to attend industrial tribunals in relation to unfair dismissal claims. Council officers attended two full hearings and on both occasions, the claims of unfair dismissal were rejected by the Industrial Tribunal. The other claim was withdrawn by the Applicant. These outcomes are reflective of the robust policies and procedures in place within Council and the effective implementation by Council officers.

Council has noted in its Governance Statement that there are a number of areas where ongoing improvements can be made. However these are not considered to be fundamental in nature. Council officers will ensure that this statement is referred to Causeway Coast and Glens District Council to inform the new Council's annual review of governance.



Signed

David Jackson

Town Clerk and Chief Executive

Causeway Coast and Glens Borough Council



Date 14 October 2015



Signed

Cara McShane

Chair of Causeway Coast and Glens Audit Committee



Date 14 October 2015

This Annual Governance Statement was approved by the Members of Coleraine Borough Council at a full meeting of Council on the 31st March 2015. The only change to the approved statement is the enhanced narrative within the **Local Government Reform** heading .

Certificate of the Chief Financial Officer

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2015 on pages 20 to 72 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 24 to 43.
- (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.



David Jackson
Chief Financial Officer
Causeway Coast and Glens Borough Council

Date 14 October 2015

Council Approval of Statement of Accounts

These accounts were approved by resolution of Causeway Coast and Glens Borough Council's Audit Committee on 29 June 2015.



Cara McShane
Chair of Causeway Coast and Glens Audit Committee

Date 14 October 2015

Independent Auditor's Report to the Members of the Causeway Coast and Glens Borough Council

I have audited the financial statements of Coleraine 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 the Causeway Coast and Glens Borough Council in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities. Under the transitional arrangements set out in the Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations Northern Ireland) 2014, the Causeway Coast and Glens Borough Council takes responsibility for the financial statements of Coleraine 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 statement of accounts 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 statement of accounts

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 Coleraine Borough Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Coleraine 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 gives 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 2014-2015, of the financial position of Coleraine 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.

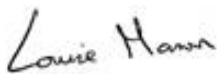
Matters on which I report by exception

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 2014-2015,
 - 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 the accounts of the Coleraine Borough Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.



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

27th October 2015

The Movement in Reserves Statement

	Capital Receipts Reserve £	Other Fund Balances and Reserves £	General Fund Summary £	Total Usable Reserves £	Total Unusable Reserves £	Total Council Reserves £
At 01 April 2013	11,000	2,019,996	2,642,331	4,673,327	14,481,945	19,155,272
Movement in reserves during the year						
(Deficit) on the provision of services	0	0	(1,272,204)	(1,272,204)	0	(1,272,204)
Other Comprehensive Income and Expenditure	0	0	0	0	22,534,252	22,534,252
Total Comprehensive Income and Expenditure	0	0	(1,272,204)	(1,272,204)	22,534,252	21,262,048
Adjustments between accounting basis & funding under regulations	(11,000)	0	2,728,087	2,717,087	(2,717,087)	0
Net increase before transfers to Statutory and Other Reserves	(11,000)	0	1,455,883	1,444,883	19,817,165	21,262,048
Transfers to / from Statutory and Other Reserves	0	304,444	(304,444)	0	0	0
Increase in year	(11,000)	304,444	1,151,439	1,444,883	19,817,165	21,262,048
At 31 March 2014	0	2,324,440	3,793,770	6,118,210	34,299,110	40,417,320
Movement in reserves during the year						
Profit on the provision of services	0	0	961,789	961,789	0	961,789
Other Comprehensive Income and Expenditure	0	0	0	0	(1,806,000)	(1,806,000)
Total Comprehensive Income and Expenditure	0	0	961,789	961,789	(1,806,000)	(844,211)
Adjustments between accounting basis & funding under regulations	0	0	(505,694)	(505,694)	505,694	0
Net increase before transfers to Statutory and Other Reserves	0	0	456,095	456,095	(1,300,306)	(844,211)
Transfers to / from Statutory and Other Reserves		304,444	(304,444)	0	0	0
Increase in year	0	304,444	151,651	456,095	(1,300,306)	(844,211)
At 31 March 2015	0	2,628,884	3,945,421	6,574,305	32,998,804	39,573,109

The Comprehensive Income and Expenditure Statement

	Notes	2014/2015				2013/2014	
		Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Service Expenditure							
Leisure and Recreational Services	2a	10,887,062	3,655,291	7,231,771	14,219,612	6,276,314	7,943,298
Environmental Services	2a	12,368,932	3,106,939	9,261,993	16,052,745	5,074,015	10,978,730
DRM and Corporate Management	2a	1,580,576	149,938	1,430,638	1,223,470	501,296	722,174
Other Services	2a	1,632,945	695,494	937,451	1,780,906	805,898	975,008
Cost of Services on Continuing Operations		26,469,515	7,607,662	18,861,853	33,276,733	12,657,523	20,619,210
Other Operating Expenditure	7	7,983	0	7,983	0	7,600	(7,600)
Financing and Investment Income and Expenditure	8	2,216,345	106,984	2,109,361	2,142,454	112,784	2,029,670
Net Operating Expenditure		28,693,843	7,714,646	20,979,197	35,419,187	12,777,907	22,641,280
Taxation and Non-Specific Grant Income	9	0	21,940,986	(21,940,986)	0	21,369,076	(21,369,076)
Surplus/(Deficit) on the Provision of Services		28,693,843	29,655,632	961,789	35,419,187	34,146,983	(1,272,204)
Surplus/(Deficit) on revaluation of non-current assets	10c			0			19,759,252
Remeasurements of the Net Defined Benefit Liability (Asset)	20b			(1,806,000)			2,775,000
Other Comprehensive Income and Expenditure				(1,806,000)			22,534,252
Total Comprehensive Income and Expenditure				(844,211)			21,262,048

The Balance Sheet

	Note	2015	2014
		£	£
Property Plant & Equipment (PP&E)	10b	86,672,028	83,236,267
Long Term Debtors	11a	1,229,836	1,273,370
LONG TERM ASSETS		87,901,864	84,509,637
Inventories	13	21,697	50,438
Short Term Debtors	11b	3,227,826	4,163,472
Cash and Cash Equivalents	23b	2,628,884	2,852,062
CURRENT ASSETS		5,878,407	7,065,972
Bank Overdraft	23b	201,124	0
Short Term Borrowing	14a	1,866,577	1,771,655
Short Term Creditors	17a	3,035,780	4,709,351
CURRENT LIABILITIES		5,103,481	6,481,006
Long Term Provisions	18a /18b	3,500,834	2,994,461
Long Term Borrowing	14b	31,445,313	30,098,358
Other Long Term Liabilities	20c	14,157,534	11,559,464
Capital Grants Receipts in Advance	21	0	25,000
LONG TERM LIABILITIES		49,103,681	44,677,283
NET ASSETS		39,573,109	40,417,320
Capital Receipts Reserve	24a	0	0
Sinking Fund	24b	2,628,884	2,324,440
General Fund	24c	3,945,422	3,793,770
USABLE RESERVES		6,574,306	6,118,210
Capital Adjustment Account	25a	38,072,728	36,655,930
Revaluation Reserve	25b	9,238,063	9,333,196
Pensions Reserve	25c	(14,157,534)	(11,559,464)
Accumulated Absences Account	25d	(154,454)	(130,552)
UNUSABLE RESERVES		32,998,803	34,299,110
NET WORTH		39,573,109	40,417,320

The Cashflow Statement

		2014/2015	2013/2014
		£	£
Surplus/(Deficit) on the Provision of Services	CIES	961,789	(1,272,204)
Adjustment for non-cash movements	23a	2,876,800	7,736,856
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	23a	(2,183,061)	(2,104,875)
Net cash flows from operating activities		1,655,528	4,359,777
Cash flows from Investing Activities	23d	(3,521,707)	(1,409,053)
Net Cash flows from Financing Activities	23e	1,441,877	(1,874,231)
Net increase or decrease in cash and cash equivalents		(424,302)	1,076,493
Cash and cash equivalents at the beginning of the reporting period	23b	2,852,062	1,775,569
Cash and cash equivalents at the end of the reporting period	23b	2,427,760	2,852,062

1 a Accounting Policies**General Principles**

The Statement of Accounts summarises the Council's transactions for the 2014/2015 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 2014/2015 and the Service Reporting Code of Practice 2014/2015 (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 2014/2015 also requires disclosure in respect of:

Summary of Significant Accounting Policies**i) Accruals of Income and Expenditure**

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

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

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

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

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

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

ii) Acquisitions

There were no acquisitions in either the current or prior year.

iii) Provision for Pay and Grading Reviews

The Council has made no provision for the costs of settling claims for back pay arising from discriminatory payments.

iv) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

v) Contingent Assets

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

vi) Contingent Liabilities

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

vii) Discontinued Operations

There were no discontinued operations in either the current or prior year.

viii) Employee Benefits

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

Termination benefits

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

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

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

Post Employment Benefits

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

The Northern Ireland Local Government Officers' Pension Fund

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

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

Liabilities are discounted to their value at current prices using a discount rate based on the Aon Hewitt GBP Select AA Curve using the duration of the Council's liabilities. The curve is derived as follows:

- The corporate curve is composed of an underlying swap curve plus a credit spread curve. The credit spread curve is fitted from all prices on iBoxx bonds.
- Aon Hewitt receive data from iBoxx and use all corporate bonds from the UK market, which have an average rating of AA from the three ratings agencies (Moody's, S&P and Fitch). The corporate yield curve is made by adding a credit spread curve to the standard Aon Hewitt swap curve.

The change in the net pensions liability is analysed into nine 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:

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

The financial statements may subsequently be adjusted up to the date when they are authorised for issue. This date will be recorded on the financial statements and is usually the date the Local Government Auditor issues his certificate and opinion. Where material adjustments are made in this period they will be disclosed.

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

x) Exceptional Items

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

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

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

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

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

xii) Financial Instruments

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

Financial Liabilities

Amortised Cost

Financial Assets

Loans and Receivables

Available for Sale

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

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

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

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

Financial Assets

Financial assets are classified into two types:

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

Loans and Receivables

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

Where soft loans are made, to voluntary organisations at less than market rates, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet.

Statutory provisions require that the impact of soft loans on the District Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

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

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

Available-for-Sale Assets

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

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

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

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

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

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

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

Instruments Entered Into Before 1 April 2006

The Council has not entered any financial guarantees that are required to be accounted for as financial instruments. There is therefore no need to reflect these in the Statement of Accounts to the extent that provisions might be required or a contingent liability note is needed under the policies set out in the sections on Provisions, Contingent Liabilities and Contingent Assets.

xiii) Foreign Currency Translation

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

xiv) Government Grants and Contributions

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

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

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

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

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

xv) 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 £5k) the Capital Receipts Reserve.

xvi) **Inventories & Long Term Contracts**

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

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

xvii) **Investment Property**

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

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

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

xviii) **Landfill Allowance Schemes**

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

xix) Leases

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

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

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

The Council as Lessee***Finance Lease:***

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

Lease payments are apportioned between:

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

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

The Council is not required to raise district rates to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual provision is made from revenue towards the deemed capital investment in accordance with statutory requirements. Depreciation and impairment losses are therefore replaced by a revenue provision in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases:

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a rent-free period at the commencement of the lease).

The Council as Lessor***Finance Leases***

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

Lease rentals receivable are apportioned between:

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

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

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

Operating Leases

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

xx) Disposals and Non-Current Assets Held for Sale

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

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

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

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

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

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

xxi) Overheads and Support Services

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

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

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

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:

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

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

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

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

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

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

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

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

Impairment

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

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

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

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

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

Depreciation

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

Depreciation is calculated on the following bases:

- a) buildings - straight-line allocation over the useful life of the buildings - estimates of useful life are provided by LPS valuer.
- b) 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
- c) infrastructure – straight-line allocation over their estimated useful lives.

Componentisation

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

Revaluations

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

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 historical associations they are 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:

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

The Council is not required to raise District Rates to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement equal to 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.

xxiv) The Carbon Reduction Commitment Scheme (CRC)

The Council is not required to participate in the Carbon Reduction Commitment Energy Efficiency Scheme.

1 b 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. 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 off 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.

1 c Critical Judgements in Applying Accounting Policies

In applying accounting policies set out from 1a the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

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

1 d 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) Provisions

See Note 18 in relation to Council's landfill provision

iii) 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.

2 a Segmental Reporting Analysis

Services	2014/2015			2013/2014		
	Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Culture and Heritage	821,308	137,287	684,021	820,423	378,734	441,689
Recreation and Sport	4,947,698	898,105	4,049,593	7,293,493	1,318,793	5,974,700
Tourism	3,680,029	2,222,805	1,457,224	4,440,648	3,952,407	488,241
Community Services	1,438,027	397,094	1,040,933	1,665,048	626,380	1,038,668
Leisure and Recreational Services	10,887,062	3,655,291	7,231,771	14,219,612	6,276,314	7,943,298
Cemetery, Cremation & Mortuary	339,423	84,059	255,364	320,217	92,107	228,110
Environmental Health	1,402,093	172,696	1,229,397	1,403,845	533,191	870,654
Public Conveniences	445,708	173	445,535	548,341	30,425	517,916
Licensing	134,799	95,762	39,037	139,835	136,224	3,611
Other Cleaning	1,217,742	5,185	1,212,557	1,193,947	98,384	1,095,563
Waste Collection	2,267,276	256,832	2,010,444	2,289,144	293,557	1,995,587
Waste Disposal	5,257,022	1,988,788	3,268,234	8,581,350	3,354,168	5,227,182
Building Control	555,361	398,877	156,484	557,245	481,575	75,670
Other Community Assets	104,152	104,567	(415)	800,159	24,272	775,887
Minor Works	645,356	0	645,356	218,662	30,112	188,550
Environmental Services	12,368,932	3,106,939	9,261,993	16,052,745	5,074,015	10,978,730
Democratic Representation and Management	997,682	130,741	866,941	704,071	393,670	310,401
Corporate Management	582,894	19,197	563,697	519,399	107,626	411,773
DRM and Corporate Management	1,580,576	149,938	1,430,638	1,223,470	501,296	722,174
Economic Development	826,535	363,751	462,784	784,886	444,154	340,732
Trading Services	402,819	65,329	337,490	618,848	101,931	516,917
Central Services to the Public	403,591	266,414	137,177	377,172	259,813	117,359
Other Services	1,632,945	695,494	937,451	1,780,906	805,898	975,008
CONTINUING OPERATIONS	26,469,515	7,607,662	18,861,853	33,276,733	12,657,523	20,619,210

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

	2014/2015	2014/2015	2013/2014	2013/2014
	£	£	£	£
Net Cost of Services in Service Analysis		18,861,853		20,619,210
Items excluded from Service Analysis:				
Add amounts not reported in Service Analysis but included in Net Cost of Services in the Comprehensive Income and Expenditure Statement	0		0	
Remove amounts reported in Service Analysis but not included in Net Cost of Services in the Comprehensive Income and Expenditure Statement	0		0	
		0		0
Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement		18,861,853		20,619,210
Items included in Net Operating Expenditure excluded from Service Analysis:				
Other Operating Expenditure	7,983		(7,600)	
Financing and Investment Income and Expenditure	2,109,361		2,029,670	
		2,117,344		2,022,070
Net Operating Expenditure per the Comprehensive Income and Expenditure Statement		20,979,197		22,641,280

3 Adjustments between accounting basis and funding basis under regulations.

		2014/2015	2014/2015	2013/2014	2013/2014
	Notes	£	£	£	£
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:					
Derecognition (other than disposal) of non-current assets	10a	0		11,205	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	10d	0		2,767,888	
Depreciation charged in the year on non-current assets	10b	2,929,921	2,929,921	3,221,782	6,000,875
Direct revenue financing of Capital Expenditure	10a		0		(11,205)
Profit / Loss of non current assets sold	7		7,983		(7,600)
Capital Grants and Donated Assets Receivable and Applied in year	9		(2,153,336)		(2,096,275)
Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year					
Statutory Provision for the financing of Capital Investment	15		(2,106,234)		(2,146,069)
Net transfers to / from the Capital Adjustment Account			(1,321,666)		1,739,726
Net charges made for retirement benefits in accordance with IAS 19	20b	2,197,000		2,291,000	
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	20b	(1,404,930)		(1,309,734)	
Net transfers to / Pension Reserve			792,070		981,266
Tranfers to(-) / from(+) Accumulated Absences - Adjustments	25d	23,902		7,096	
			23,902		7,096
Adjustments between accounting basis and funding basis under regulations			(505,694)		2,728,088
Net transfers to(-) / from(+) statutory and other earmarked reserves:					
Sinking Fund					
Transfer	24b	(304,444)	(304,444)	(304,444)	(304,444)
Total transfers (from) / to General Fund			(304,444)		(304,444)
Surplus/(Deficit) on the Provision of Services			961,789		(1,272,204)
Movement on General Fund in the year		24c	151,651		1,151,440

4 Cost of Services on Continuing Operations**4 a 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, as outlined in DOE Circular 24/14 dated 21st May 2014, was £47,696 for 2014/2015 (£46,652 in 2013/2014).

The Actual expenditure during 2014/2015 amounted to £0, (£0 in 2013/2014).

4 b External Audit Fees

	2014/2015	2013/2014
	£	£
External Audit Fees	20,274	17,525
Other Fees	1,173	0
	21,447	17,525

As part of the Executive funding package to support the implementation of local government reform, the Executive agreed to provide £76,923 to Causeway Coast and Glens Borough Council for the winding up of existing Councils (DOE Circular LG 33/2014 refers). As the reimbursement can embrace costs associated with the legal and audit requirements in respect of the winding up of financial affairs of the legacy Councils, audit fees incurred by Coleraine Borough Council were submitted by Causeway Coast and Glens Borough Council as part of the claim. Coleraine Borough Council's share of the grant is £19,183 and is included in year end short term debtors (Note 11b refers).

There were no other fees payable in respect of any other services provided by the appointed auditor over and above those described above (£0 in 2013/2014).

5 Operating and Finance Leases**Council as Lessor:****5 a Finance Leases (Council as Lessor)**

The Council had no finance leases where it acts as lessor during the year under review nor the preceding year.

5 b Operating Leases (Council as Lessor)

The Council had no material operating leases where it acts as lessor during the year under review nor the preceding year.

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

The Council had no finance leases where it acts as lessee during the year under review nor the preceding year.

5 d Operating Leases (Council as lessee)

The Council had no material operating leases where it acts as lessee during the year under review nor the preceding year.

6 Employee Costs and Members Allowances**6 a Staff Costs**

	2014/2015	2013/2014
	£	£
Salaries and Wages	8,050,785	7,788,254
Employers NIC	548,022	492,358
Employers Superannuation	20b 1,404,930	1,309,735
Increase in pension costs due to actuarial valuations	339,670	424,849

Total staff costs	10,343,407	10,015,196
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Salaries and wages recovered from Agency Entities	(7,996)	(119,056)
Salaries and wages capitalised	(10,451)	(3,743)

Staff Costs recognised in the Segmental Report	10,324,960	9,892,397
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Included in the current year staff costs above are the following.

	2014/2015	2014/2015
	Shadow Council	STC
	£	£
Gross Salaries	205,205	28,347
Salary Grant	(37,879)	(7,576)

Staff Costs recognised in the Segmental Report	167,326	20,771
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Note 28 gives details of all Statutory Transition Committee (STC) and Shadow Council costs of which salaries form a part.

In addition to the staff costs noted above Agency Staff costs amounted to £1,980,887, (2013/2014 -£1,817,925).

The Council's current contribution rate to the NILGOSC scheme is 20%, (2014 - 20%). At the last actuarial valuation, dated 31 March 2013, the Fund's assets as a whole were sufficient to meet 91% of the liabilities accrued up to that date.

6 b Average Number of Employees

	2014/2015	2013/2014
	FTE	FTE
Environmental services	145	138
Leisure services	111	120
Other	33	32

Total Number	289	290
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	2014/2015	2013/2014
	Actual Numbers	Actual Numbers
Full-time numbers employed	265	266
Part-time numbers employed	51	52

Total Number	316	318
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6 c Senior Employees' Remuneration

	2014/2015	2013/2014
Salary Bands	Number	Number
£50,001 to £60,000	6	6
£60,001 to £70,000	2	1
£70,001 to £80,000	1	2
£80,001 to £90,000	1	1
£100,001 to £110,000	1	0
Total Number	11	10

6 d 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 £212,315, (2013/2014) £288,657 (excluding severance payments) and are as follows:

Members' Allowances	2014/2015	2013/2014
	£	£
Basic allowance	149,921	202,441
Mayor's & Deputy Mayor's Allowance	2,488	3,174
Special Responsibility Allowances	19,240	18,701
Statutory Transition Committee Allowances	2,962	9,000
Employer costs	27,342	39,254
Mileage	10,362	15,847
Travel & Subsistence Costs	0	240
Severance Payments*	80,200	26,600
Total	292,515	315,257

*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.

Four payments were made under the scheme totalling £ 80,200 fully reimbursed by the Department of the Environment.

6 e Exit Packages

During both the current year and the preceding year, no exit packages were agreed by Council.

All agreements with staff who decided to leave under voluntary severance were dated post 1st April 2015 and as such the financial liability rests and has been agreed with Causeway Coast and Glens Borough Council.

7 Other Operating Expenditure

	2014/2015	2013/2014
	£	£
Deficit/(Surplus) on the the Disposal of Non Current Assets	7,983	(7,600)
Totals	7,983	(7,600)

8 Financing and Investment Income and Expenditure

	2014/2015				2013/2014	
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£	£	£	£	£	£
Interest Payable and Similar Charges	1,747,345	0	1,747,345	1,569,454	0	1,569,454
Interest and Investment Income	0	106,984	(106,984)	0	112,784	(112,784)
Pensions interest cost	469,000	0	469,000	573,000	0	573,000
Totals	2,216,345	106,984	2,109,361	2,142,454	112,784	2,029,670

9 Taxation and Non Specific Grant Income

	2014/2015	2013/2014
	£	£
Rates	19,104,107	18,718,387
Finalisation - Current Year	218,288	129,731
Finalisation - Prior Year	(129,731)	(158,151)
	19,192,664	18,689,967
General Grant	594,986	582,834
Capital Grant Receivable	2,153,336	2,096,275
Totals	21,940,986	21,369,076

10 Property Plant & Equipment (PP&E)**10a Cost or Valuation**

	Land	Buildings	Infrastructure Assets	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	TOTAL
	£	£	£	£	£	£	£	£	£	£
As at 01 April 2013	11,750,146	55,245,377	1,675,221	9,602,203	2,012,791	3,291,079	1,436,866	85,013,683	529,493	85,543,176
Additions	0	23,233	0	537,025	0	2,449,186	0	3,009,444	0	3,009,444
Revaluation increases/ decreases to Revaluation Reserve	4,331,934	1,084,939	0	0	0	0	(49,320)	5,367,553	0	5,367,553
Revaluation increases/ decreases to Surplus or Deficit on the Provision of Services	(310,835)	(1,711,987)	0	0	0	0	(745,066)	(2,767,888)	0	(2,767,888)
Derecognition - Disposals	0	0	0	(249,197)	0	0	0	(249,197)	0	(249,197)
Derecognition - Other	0	0	0	0	0	(11,205)	0	(11,205)	0	(11,205)
Reclassifications & Transfers	29,255	3,010,695	117,106	321,066	0	(3,535,642)	57,520	0	0	0
As at 31 March 2014	15,800,500	57,652,257	1,792,327	10,211,097	2,012,791	2,193,418	700,000	90,362,390	529,493	90,891,883
Additions	0	373,963	0	1,258,786	0	4,770,642	0	6,403,391	0	6,403,391
Derecognition - Disposals	(20,000)	0	0	(144,065)	0	0	0	(164,065)	0	(164,065)
Reclassifications & Transfers	28,117	2,410,404	1,231,682	0	0	(3,670,203)	0	0	0	0
As at 31 March 2015	15,808,617	60,436,624	3,024,009	11,325,818	2,012,791	3,293,857	700,000	96,601,716	529,493	97,131,209

10b Depreciation and Impairment

	Land	Buildings	Infrastructure Assets	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Heritage Assets	TOTAL
	£	£	£	£	£	£	£	£	£	£
As at 01 April 2013	0	12,021,416	197,913	6,854,402	0	0	0	19,073,731	0	19,073,731
Depreciation Charge	0	2,370,284	67,769	783,729	0	0	0	3,221,782	0	3,221,782
Depreciation written out on Revaluation Reserve	0	(14,391,700)	0	0	0	0	0	(14,391,700)	0	(14,391,700)
Derecognition - Disposals	0	0	0	(248,197)	0	0	0	(248,197)	0	(248,197)
As at 31 March 2014	0	0	265,682	7,389,934	0	0	0	7,655,616	0	7,655,616
Depreciation Charge	0	2,327,010	69,492	533,419	0	0	0	2,929,921	0	2,929,921
Derecognition - Disposals	0	0	0	(126,356)	0	0	0	(126,356)	0	(126,356)
As at 31 March 2015	0	2,327,010	335,174	7,796,997	0	0	0	10,459,181	0	10,459,181

Net Book Values

As at 31 March 2015	15,808,617	58,109,614	2,688,835	3,528,821	2,012,791	3,293,857	700,000	86,142,535	529,493	86,672,028
As at 31 March 2014	15,800,500	57,652,257	1,526,645	2,821,163	2,012,791	2,193,418	700,000	82,706,774	529,493	83,236,267
As at 31 March 2013	11,750,146	43,223,961	1,477,308	2,747,801	2,012,791	3,291,079	1,436,866	65,939,952	529,493	66,469,445

10 c Valuations

The last valuation of freehold and leasehold properties was carried out as at 31st March 2014 by an independent valuer from Land and Property Services (LPS). The requirement for valuations under the CIPFA Code of Practice (The Code) is at least every five years. IAS 16 states that revaluations should be made with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value. Indices were provided by LPS indicating changes in value since March 2014.

10 d Revaluations	2015	2014
	£	£
Cost movement in Revaluation Reserve	0	5,367,553
Depreciation movement in Revaluation Reserve	0	14,391,700
Surplus / (deficit) on the revaluation of non current assets	0	19,759,253
Reversal of Accumulated Historic Depreciation to Capital Adjustment Account	0	(14,324,404)
Movement in Revaluation Reserve	0	5,434,849
Excess of depreciation on revalued amounts over historic values	(95,133)	0
Total revaluation adjustments to the Capital Adjustment Account	(95,133)	14,324,404
10 e Impairments	2015	2014
	£	£
Impairments adjustment to costs	0	(2,767,888)
Impairments charged and recognised in the deficit on the provision of services	0	(2,767,888)
10 f Disposal of non current assets	2015	2014
	£	£
Cost of assets disposed	(164,065)	(249,197)
Depreciation eliminated on disposal	126,356	248,197
Carrying amount of non-current assets sold	(37,709)	(1,000)

10 g Heritage Assets

The Council's Heritage Assets are reported in the Balance Sheet at insurance values which, where possible, are based on market values. Heritage assets consist of Paintings and Statutes totalling £318,793 and Ceremonial Regalia of £210,700.

11 Debtors

11 a Long Term Debtors	2015	2014
	£	£
NIHE Loans	1,206,176	1,256,388
Employee car loans	23,660	16,982
Total Long-Term Debtors	1,229,836	1,273,370

11 b Short Term Debtors	2015	2014
	£	£
Government Departments	221,828	140,687
Other Councils	36,761	19,150
Bodies external to general government	45,483	41,575
NIHE Loans	50,211	47,147
Employee car loans	20,484	12,300
Revenue Grants	669,884	1,453,352
Capital Grants	466,514	1,620,101
Capital Debtors	0	4,000
Trade receivables	719,066	565,221
Impairment loss - Trade receivables	(14,383)	(225,922)
Value Added Tax	821,921	325,924
Prepayments	0	4,282
Other	190,057	155,655
Total Short-Term Debtors	3,227,826	4,163,472

Total Debtors	4,457,662	5,436,842
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11 c Trade debtors, inclusive of VAT, exclusive of impairment can be analysed by age as follows:	2015	2014
	£	£
Less than three months	660,410	311,632
Three to six months	17,813	15,548
Six months to one year	33,758	6,339
More than one year	15,326	5,780
	727,307	339,299

12 Investments

All deposits held by Council at 31 March 2015 are due to mature within three months of deposit and are treated as cash and cash equivalents within Coleraine Borough Council's Balance Sheet. Accordingly, Council does not hold any Short or Long Term Investments as defined by the Code.

13 Inventories

Inventories	2015	2014
	£	£
Central Stores	21,697	50,438
Total	21,697	50,438

14 Borrowings

14 a Short Term Borrowing	2015	2014
	£	£
Loans re-payable within one year	1,866,577	1,771,655

Total Short Term Borrowing	1,866,577	1,771,655
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14 b Long Term Borrowing	2015	2014
	£	£
Between 1 and 2 years	1,894,392	1,767,005
Between 2 and 5 years	5,284,577	5,138,258
Between 5 and 10 years	8,545,282	8,091,548
In more than 10 years	15,721,062	15,101,547

Total Long Term Borrowing	31,445,313	30,098,358
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Total Borrowing	33,311,890	31,870,013
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14 c Analysed over:	2015	2014
	£	£
Government Loans	19,930,813	18,492,747
Commercial Loans	13,381,077	13,377,266

	33,311,890	31,870,013
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Interest rates on Government Loans range between 1.47% to 11.75%

Interest rates on Commercial Loans range between 2.30% to 4.98%

15 Capital Expenditure

Capital Expenditure		2015	2014
		£	£
Opening Capital Financing Requirement		34,922,699	38,499,846
Sinking Fund Reserve Prior Year Provision	24b		(2,019,996)
Opening Capital Financing Requirement Restated		34,922,699	36,479,850
Capital Investment			
Non Current Assets	10a	6,403,391	3,009,444
Sources of Finance			
Capital Receipts		(29,725)	(19,600)
Capital Receipts Reserve	24a		11,000
Government Grants and Other Contributions	9	(2,153,336)	(2,096,275)
Transfers from Earmarked Reserves	3	(304,444)	(304,444)
Sums set aside from Revenue			
Direct Revenue Contributions	10a	0	(11,205)
Minimum Revenue Provision		(2,106,233)	(2,146,071)
Closing Capital Financing Requirement		36,732,352	34,922,699

Since the introduction of the Prudential Code in 2011/12, the Capital Financing Requirement has reduced from £40,058,336 to £36,732,352

Explanation of Movements in Year	2015	2014
	£	£
Increase in underlying need to borrow	1,809,653	(1,557,151)
Increase/(decrease) in Capital Financing Requirement	1,809,653	(1,557,151)

It is a Statutory Duty for Council to determine and keep under review the Authorised Borrowing Limits as outlined in the approved Treasury Management Strategy. In the 2014/15 year, all Treasury Management activities have been in accordance with the approved limits and Prudential Indicators set out in the Treasury Strategy. There have been no breaches of any of the indicators approved by Council in February 2014.

The following Sponsoring Departments contributed to Government Grants and Other Contributions as follows:

Sponsoring Department	2015
	£
Department of Social Development	91,351
Department of Culture and Leisure	100,000
Northern Ireland Tourist Board	449,205
Department of Agriculture and Rural Development	128,395
Sport NI	1,249,147
Ulster Wildlife Trust	96,744
Art Council NI	29,738
Energia	8,756
Total Grants	2,153,336

16 Future Capital Commitments

Due to the local government reform process, Coleraine Borough Council had no authority to give approval for new capital schemes beyond 2014/15 - accordingly no future capital commitments are noted. Coleraine Borough Council, however, committed to sharing potential schemes at an early stage with the Causeway Coast and Glens Shadow Council and a workshop was held in July 2014, to that end, which brought together all potential capital projects from the four legacy Councils.

17 Creditors

17 a Short Term Creditors	2015	2014
	£	£
Government Departments	627,305	448,202
Other Councils	55,819	24,664
Public corporations and trading funds	15,000	0
Bodies external to general government	81,934	1,740
Remuneration due to employees	9,054	9,138
Accumulated Absences	154,454	130,552
Loan Interest Payable	274,787	260,295
Capital Creditors	0	433,964
Receipts in advance	665,741	1,601,019
Trade creditors	1,144,251	1,718,920
Other	7,435	80,857
Total Short Term Creditors	3,035,780	4,709,351

17 b Council has no long term creditors in the current year nor the preceding year.

17 c Payment of Invoices

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

	2015	2014
Total Invoices paid	14,043	12,557
Paid within 30 days	12,875	10,199
% within 30 days	92%	81%
Paid within 10 days	6,676	3,245
% within 10 days	48%	26%
After 30 days	1,168	2,358
% after 30 days	8%	19%

The Minister at the Department of Finance and Personnel has reduced the target for the payment of invoices for central government departments to 10 working days. This target is not mandatory on local government, but Council endeavours to process invoices as quickly as possible and will keep its performance under review.

18 Provisions**18 a Current Year**

Provisions	At 01 April 2014	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	At 31 March 2015
	£	£	£	£	£	£
Landfill Provision	2,994,461	512,815	(6,442)	0	0	3,500,834
	2,994,461	512,815	(6,442)	0	0	3,500,834
	£	£	£	£	£	£
Current Provisions	0	0	0	0	0	0
Long Term Provisions	2,994,461	512,815	(6,442)	0	0	3,500,834
	2,994,461	512,815	(6,442)	0	0	3,500,834

18 b Comparative Year

Provisions	At 01 April 2013	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	At 31 March 2014
	£	£	£	£	£	£
Landfill Provision	2,331,108	779,627	(116,274)	0	0	2,994,461
	2,331,108	779,627	(116,274)	0	0	2,994,461
	£	£	£	£	£	£
Current Provisions	0	0	0	0	0	0
Long Term Provisions	2,331,108	779,627	(116,274)	0	0	2,994,461
	2,331,108	779,627	(116,274)	0	0	2,994,461

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 are aged in Note 11 c to these accounts

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 14 and 18. All trade and other payables are due for payment within one year.

Market Risk

Interest rate risk

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

Foreign exchange risk

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

Fair Value of Soft Loans and Government Loans

The Council is in receipt of loans from the Department of Finance and Personnel that differ from the prevailing market rates. The fair value of these loans is 2015 - £24,687,689, (2014 - £21,879,130).

The Council has not made any loans, at less than market rates (soft loans), to any voluntary or other external body.

20 Retirement Benefits**20 a Participation in the Northern Ireland Local Government Officers' Pension Fund**

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

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

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

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

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

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

	Note	2015	2014
		£	£
Net cost of services:			
Current service cost		1,728,000	1,718,000
Net operating expenditure:			
Net Interest on net defined benefit Liability (asset)	8	469,000	573,000
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services		2,197,000	2,291,000
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(2,197,000)	(2,291,000)
Actual amount charged against the general fund balance for pensions in the year:			
Employers' contributions payable to scheme	6a	1,404,930	1,309,734
Net charge to the Comprehensive Income and Expenditure Statement		(792,070)	(981,266)

The service cost figures include an allowance for administration expenses of 1.23%.

Remeasurements recognised in Other Comprehensive Income and Expenditure			
	Note	2015	2014
		£	£
Liability gains/(losses) due to change in financial assumptions		(5,832,000)	1,386,000
Liability experience gains/(losses) arising from changes in demographic assumptions		0	1,964,000
Actuarial gains/(losses) on plan assets		239,000	(2,947,000)
Remeasurement gains		3,787,000	2,372,000
Total gains/(losses) recognised in Other Comprehensive Income and Expenditure		(1,806,000)	2,775,000

20 c Assets and liabilities in relation to retirement benefits

Reconciliation of present value of the scheme liabilities:	Note	2015	2014
		£	£
Balance as at 1 April		54,431,134	51,861,836
Current service cost		1,728,000	1,718,000
Interest cost		2,319,000	2,311,000
Contributions by members		449,777	418,881
Remeasurement (gains) and losses:			
Actuarial gains/losses arising from changes in financial assumptions		5,832,000	(1,386,000)
Actuarial gains/losses arising from demographic changes		0	(1,964,000)
Actuarial gains/losses arising on liabilities from experience		(239,000)	2,947,000
Estimated unfunded benefits paid		(16,600)	(16,584)
Estimated benefits paid		(1,501,000)	(1,459,000)
Balance as at 31 March		63,003,311	54,431,133

Reconciliation of present value of the scheme assets:	Note	2015	2014
		£	£
Balance as at 1 April		42,871,670	38,508,638
Interest Income		1,850,000	1,738,000
Contributions by members		449,777	418,881
Contributions by employer		1,388,330	1,293,150
Contributions in respect of unfunded benefits		16,600	16,584
Remeasurement gain/(loss)		3,787,000	2,372,000
Unfunded benefits paid		(16,600)	(16,584)
Benefits paid		(1,501,000)	(1,459,000)
Balance as at 31 March		48,845,777	42,871,669

The actual return on scheme assets in the year was a gain of £5,637,000 (2013/2014 a gain of £4,110,000).

Fair Value of Plan Assets	2015	2014	2013
	£	£	£
Equity investments	35,657,417	31,810,779	29,112,530
Government Bonds	2,784,209	2,529,429	4,197,441
Corporate Bonds	3,174,975	2,615,172	192,543
Property	6,154,568	4,801,627	2,965,165
Other	97,692	0	231,052
Cash	976,916	1,114,662	1,809,906
	48,845,777	42,871,669	38,508,637

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

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

	2015	2014	2013
	£	£	£
Fair Value of Employer Assets	48,845,777	42,871,669	38,508,637
Present value of funded defined benefit obligation	(62,763,311)	(54,197,133)	(51,603,836)
Pension asset/(liability) of Funded Scheme	(13,917,534)	(11,325,464)	(13,095,199)
Present Value of unfunded defined benefit obligation	(240,000)	(234,000)	(258,000)
Net asset/(liability) arising from the defined benefit obligation	(14,157,534)	(11,559,464)	(13,353,199)
Amount in the Balance sheet:	£	£	£
Liabilities	(14,157,534)	(11,559,464)	(13,353,199)
Assets	0	0	0
Net Asset/(Liability)	(14,157,534)	(11,559,464)	(13,353,199)

20 d Scheme history

Analysis of scheme assets and liabilities	2015	2014	2013
	£	£	£
Fair Value of Assets in pension scheme	48,845,777	42,871,669	38,508,637
Present Value of Defined Benefit Obligation	(63,003,311)	(54,431,133)	(51,861,836)
Surplus/(deficit) in the Scheme	(14,157,534)	(11,559,464)	(13,353,199)
Amount recognised in Other Comprehensive Income and Expenditure:	2015	2014	2013
	£	£	£
Actuarial gains/(losses)	(1,806,000)	2,775,000	(1,005,000)
Expected Return on Plan Assets	0	0	0
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	0	0	0
Remeasurements recognised in Other Comprehensive Income and Expenditure	(1,806,000)	2,775,000	(1,005,000)
Cumulative actuarial gains and losses	(4,910,000)	(3,104,000)	(5,879,000)
History of experience gains and losses:			
Experience gains and (losses) on assets	3,787,000	2,372,000	4,112,000
Experience gains and (losses) on liabilities	(5,593,000)	403,000	(5,117,000)

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £63,003,311 has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in a net liability of £14,157,534.

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

	2016
	£
Projected current cost	1,884,000
Net Interest on the net defined benefit liability (asset)	430,000
	2,314,000

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by Causeway Coast and Glens Borough Council, in relation to former Coleraine Borough Council employees, in the year to 31 March 2016 is £2,314,000.

History of experience gains and losses

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

	2015	2014	2013
	%	%	%
Experience gains and (losses) on Assets	7.75%	5.53%	10.68%
Experience gains and (losses) on Liabilities	8.88%	(0.74%)	9.86%

20 e Basis for estimating assets and liabilities

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

Summary of Key Assumptions	2015	2014
Mortality assumptions:		
Longevity at 65 current pensioners:		
Men	22.2 years	22.1 years
Women	24.7 years	24.6 years
Longevity at 65 for future pensioners:		
Men	22.2 years	22.1 years
Women	24.7 years	24.6 years
Inflation/Pension Increase Rate	1.80%	2.40%
Salary Increase Rate	3.30%	3.90%
Discount Rate	3.20%	4.30%
Take-up of option to convert annual pension into retirement lump sum:		
Service to April 2009	75.00%	75.00%
Service post April 2009	75.00%	75.00%

20 f 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:

	2015	2014	2013
	%	%	%
Equity investments	73.00	74.20	75.60
Government Bonds	5.70	5.90	10.90
Corporate Bonds	6.50	6.10	0.50
Property	12.60	11.20	7.70
Other	0.20	0.00	0.60
Cash	2.00	2.60	4.70
	100.00	100.00	100.00

20 g Sensitivity Analysis

The results of the actuary's report shown above are sensitive to the assumptions used.

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2015 and the projected service cost for the year ending 31 March 2016 is set out below.

In each case, only the assumption mentioned is altered; all other assumptions remain the same and are as summarised in Note 20.e.

On the grounds of materiality no sensitivity analysis has been applied to unfunded benefits.

	Positive Movement	Negative Movement
Adjustment to Discount Rate	0.1% p.a	(0.1%) p.a
Present Value of total obligation	61,608,000	63,948,000
% change in present value of total obligation	(1.8%)	1.9%
Projected Service Cost	1,827,000	1,942,000
Approximate % change in projected service cost	(3.0%)	3.1%
Adjustment to salary increase rate	0.1% p.a	(0.1%) p.a
Present Value of total obligation	61,608,000	63,948,000
% change in present value of total obligation	(1.8%)	1.9%
Projected Service Cost	1,827,000	1,942,000
Approximate % change in projected service cost	(3.0%)	3.1%
Adjustment to pension increase rate	0.1% p.a	(0.1%) p.a
Present Value of total obligation	61,608,000	63,948,000
% change in present value of total obligation	(1.8%)	1.9%
Projected Service Cost	1,827,000	1,942,000
Approximate % change in projected service cost	(3.0%)	3.1%
Adjustment to mortality age rate increase rate	(1 Year)	1 Year
Present Value of total obligation	61,608,000	63,948,000
% change in present value of total obligation	(1.8%)	1.9%
Projected Service Cost	1,827,000	1,942,000
Approximate % change in projected service cost	(3.0%)	3.1%

21 Capital Grants Received in Advance

21 a Capital Grants Received in Advance	Note	2015	2014
		£	£
Opening balance		25,000	25,000
Add: new capital grants received in advance (condition of use not met)		0	0
Less: amounts released to the Comprehensive Income and Expenditure Statement		(25,000)	0
Closing Balance		0	25,000

Analysis of Capital Grants Receipts in Advance Balance

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

21 b Capital Grants Receipts in Advance	2015	2014
	£	£
Heritage Lottery Fund	0	25,000
	0	25,000

22 Contingencies

Council is not aware of any material contingent liabilities.

23 Notes to the Cashflow Statement**23 a Analysis of Adjustments to Surplus/Deficit on the Provision of Services**

Adjustment to surplus or deficit on the provision of services for noncash movements	Notes	2015	2014
		£	£
Depreciation	10b	2,929,921	3,221,782
Impairment & downward revaluations (& non-sale derecognitions)	10d	0	2,767,887
(Increase)/Decrease in Stock		28,741	(1,125)
(Increase)/Decrease in Debtors		(389,948)	(296,399)
Increase/(decrease) in impairment provision for bad debts		211,541	(113,476)
Increase/(Decrease) in Creditors		(1,254,099)	518,967
Increase/(Decrease) in Interest Creditors		14,492	(17,603)
Payments to NILGOSC	20b	792,070	981,265
Carrying amount of non-current assets sold	10f	37,709	1,000
AUC/WIP written off to Net Cost of Services	10a	0	11,205
Contributions to Other Reserves/Provisions	18	506,373	663,353
Total Adjustments for Non Cash Movements		2,876,800	7,736,856

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	Notes	2015	2014
		£	£
Proceeds from the sale of PP&E, investment property and intangible assets		(29,725)	(8,600)
Capital grants included in "Taxation & non-specific grant income"		(2,153,336)	(2,096,275)
Total Investing and Financing Adjustments		(2,183,061)	(2,104,875)

23 b Cash and Cash Equivalents

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

	2015	2014
	£	£
Cash and Bank balances	0	527,622
Short Term Deposits (considered to be Cash Equivalents)	2,628,884	2,324,440
Bank Overdraft	(201,124)	0
Total Cash and Cash Equivalents	2,427,760	2,852,062

23 c Cash Flow Statement-Operating Activities

	2015	2014
	£	£
The cash flows from operating activities include:		
Interest received	106,984	112,784
Interest paid	1,732,853	1,569,454

23 d Cash flows from Investing Activities

	2015	2014
	£	£
Purchase of PP&E, investment property and intangible assets	(6,837,355)	(2,870,704)
Proceeds from the sale of PP&E, investment property and intangible assets	33,725	8,600
Capital Grants and Contributions Received	3,281,923	1,453,051
Net Cash flows from Investing Activities	(3,521,707)	(1,409,053)

23 e Cash flows from Financing Activities

	2015	2014
	£	£
Cash Receipts from Short and Long Term Borrowing	2,972,758	0
Repayment of Short and Long Term Borrowing	(1,530,881)	(1,874,231)
Net Cash flows from Financing Activities	1,441,877	(1,874,231)

24 Usable Reserves**24 a Capital Receipts Reserve**

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

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

Capital Receipts Reserve	Notes	2015	2014
		£	£
At 1 April		0	11,000
Movement			
Proceeds of sale		29,725	8,600
Capital Receipts used to finance capital expenditure		(29,725)	(19,600)
Net Movement		0	(11,000)
At 31 March		0	0

24 b Sinking Fund

In accordance with Schedule 5 of the Local Government Act (NI) 1972, Council had established a Sinking Fund to which it charged such sums as were necessary to provide for the future repayment of maturity loans. Sums were set aside on an equal annual basis over the lifetime of such loans. The Act has since been repealed but Council continue to maintain a Sinking Fund as a means of providing for future payment of maturity loan.

Sinking Fund	Notes	2015	2014
		£	£
At 1 April		2,324,440	2,019,996
Transfer to(+) / from(-) General Fund	3 / 24c	304,444	304,444
At 31 March		2,628,884	2,324,440

24 c General Fund

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

General Fund	Notes	2015	2014
		£	£
At 1 April		3,793,771	2,642,331
Transfers to(-) / from(+) other usable reserves			
Transfers to(-) / from(+) Sinking Fund	3 / 24b	(304,444)	(304,444)
Transfers to(-) / from(+) other unusable reserves			
Transfer to(-) / from(+) Capital Adjustment Account	3 / 25a	(1,321,666)	1,739,726
Transfer to(-) / from(+) Pension Reserve	3 / 25c	792,070	981,266
Transfers to(-) / from(+) Accumulated Absences Account	3 / 25d	23,902	7,096
Surplus /(deficit) on the provision of services	CIES	961,789	(1,272,204)
Movement in the year	3	151,651	1,151,440
At 31 March		3,945,422	3,793,771

25 Unusable Reserves**25 a Capital Adjustment Account**

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

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

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

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

Capital Adjustment Account	Notes	2015	2014
		£	£
At 1 April		36,655,930	24,060,251
Transfer to(-) / from(+) General Fund	3 / 24c	1,321,666	(1,739,726)
Transfer to(-) / from(+) Revaluation Reserve	10d / 25b	95,133	14,324,404
Transfer to(-) / from(+) Capital Receipts Reserve	24a	0	11,000
At 31 March		38,072,729	36,655,930

25 b Revaluation Reserve

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

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

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

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

Revaluation Reserve	Notes	2015	2014
		£	£
At 1 April		9,333,196	3,898,347
Revaluations	10d	0	19,759,253
Transfer to(-) / from(+) Capital Adjustment Account	10d / 25a	(95,133)	(14,324,404)
At 31 March		9,238,063	9,333,196

25 c Pension ReserveRefer to **Note 20**

Pension Reserve	Notes	2015	2014
		£	£
At 1 April		(11,559,464)	(13,353,198)
Revaluations	20d	(1,806,000)	2,775,000
Transfer to(-) / from(+) General Fund	3 / 24c	(792,070)	(981,266)
At 31 March		(14,157,534)	(11,559,464)

25 d Accumulated Absences Account

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

Accumulated Absences Account	Notes	2015	2014
		£	£
At 1 April		(130,552)	(123,454)
Transfer to(-) / from(+) General Fund	3 / 24c	(23,902)	(7,098)
At 31 March		(154,454)	(130,552)

25 e Total Unusable Reserves

Total Unusable Reserves	Notes	2015	2014
		£	£
At 1 April		34,299,111	14,481,947
Other Comprehensive Income and Expenditure	20b	(1,806,000)	22,534,252
Adjustments between accounting basis and funding basis			
General Fund	3 / 24c	505,694	(2,728,088)
Other Usable Reserves		0	11,000
At 31 March		32,998,805	34,299,111

26 Agency Services

The Council acts as a Lead Partner for various schemes, projects or Committees. The common characteristic of these projects or Committees is that Council finances the project expenditure and is subsequently reimbursed. The following represents expenditure paid by Council (and hence income receivable) for the current and previous financial years together with amounts outstanding and included within short term debtors - Note 11b

As a consequence of the relationship described above these financial statements only include that expenditure which relates to Council's share of costs associated with the project or Committee. In the case of fully funded projects no income or expenditure is recognised in these financial statements.

	2015	2015	2015	2014	2014	2014
	Income /	Year end	Council's	Income /	Year end	Council's
	Expenditure	Debtors	share of	Expenditure	Debtors	share of
	£	£	costs	£	£	costs
Peace III	285,719	60,728	8,370	1,636,065	255,972	0
Revitalise	188,516	222,415	0	415,522	355,202	0
Totals	474,235	283,143	8,370	2,051,587	611,174	0

Council acted as Lead in 2 programmes or Joint Committees, administering £474,235 (2014 - £2,051,587) of funds at a total cost to Council of £8,370 (2014 - £0).

27 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 26) these are not deemed to be Related Party Transactions.

Transactions with related parties not disclosed elsewhere in these financial statements are set out below, where a description of the nature, the amount of the transaction and the amount of the outstanding balance is as follows.

27 a Community Group payments greater than £2,000.

Council paid a total of £273,370 (2014 - £294,967) in grants to 5 (2014 - 5) community associations. All 5 (2014 - 5) of these organisations which received amounts of £2,000 or more are as follows:

	2015	2014
Name of Body	£	£
Coleraine & District Sports Council	7,500	7,500
Causeway Coast & Glens Ltd	39,000	39,000
Coleraine Local Action Group for Enterprise	0	26,597
Citizen's Advice Bureau	106,870	106,870
Coleraine Arts Committee	5,000	0
Riverside Theatre Trust	115,000	115,000
Total Value of Community Grants	273,370	294,967

27 b Group or Joint Committees payments where Council is a member

Name of Body	Lead Council	2015	2014
		£	£
N.I. Local Government Association	N/A	15,929	15,700
National Association of Councillors	N/A	1,320	1,320
North West Regional Waste Management	Derry City Council	35,870	29,042
Northern Building Control Group	Derry City Council	5,522	55,150
Northern Environmental Health Group	Ballymena Borough Council	82,107	80,365

27 c Employee Car Loans

Council makes car loans available to employees who are designated essential car users i.e. for whom it is essential to have access to a car to carry out their duties. The total amount outstanding in respect of car loans to designated employees at 31 March 2015 was £44,144 (2014 - £29,282) - Note 11 refers

28 Statutory Transition Committee and Shadow Council Costs

Council's contribution towards the Statutory Transition Committee is as detailed below:

	2015	2014
	£	£
Total Unfunded Costs	294,564	50,392
Council's share	25.00%	25.00%
Council's share of Unfunded Costs	73,641	12,598
Direct Contributions	73,641	18,653
Debtor	0	6,055

The debtor as detailed above is included under Other Council Debtors - see note 11b.

Council's contribution towards the Shadow Council is as detailed below:

	2015	2014
	£	£
Total Shadow Council Costs	557,498	0
Council's share	41.71%	0.00%
Council's share of Unfunded Costs	232,532	0
Direct Contributions net of change management salary grant	181,629	0
Creditor	50,907	0

Total Outlay to Council of Costs associated with Local Government Reform	306,173	12,598
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The creditor as detailed above is included under Other Council Creditors - see note 17a.

29 Post Balance Sheet Events

From 1st April 2015, Coleraine Borough Council ceased to exist and its functions were transferred to the new Causeway Coast and Glens Borough Council.

The Causeway Coast and Glens Borough Council combines the previous councils of Ballymoney, Coleraine, Limavady and Moyle into one new body constituted under the framework established by the Local Government Act (Northern Ireland) 2014. The geographical area of The Causeway Coast and Glens Borough Council is a direct aggregate of the boundaries of the four previous Councils.

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

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

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

30 Going Concern

The preceding financial statements have been prepared on a going concern basis. Coleraine Borough Council ceased to exist on the 31st March 2015. The going concern basis remains appropriate, however, as all the Council's assets, liabilities and any unforeseen contingencies were transferred to the new Causeway Coast and Glens Borough Council at book values upon cessation.

A Coleraine Borough Council (Transfer of Designated Assets and Liabilities) Scheme 2015 was sealed to this effect with the Official Seal of the Department of the Environment on 26th March 2015.

Accounts Authorised for Issue Certificate

In accordance with International Accounting Standard 10, Events after the Balance Sheet Date (IAS 10) this Statement of Accounts which contains a number of minor amendments from the Accounts approved on 29 June 2015 are at today's date hereby authorised for issue.

IAS 10 sets out

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

The following adjustments were made

Building, Infrastructure and Plant and Machinery depreciation was overprovided by £ 134,495, £ 21 and £ 189,594 respectively - totalling £ 324,111. Consequently Fixed Assets were understated by £ 324,111. The revised increase in Fixed Asset Net Book Values has been effected by an increase of £ 320,036 to the Capital Adjustment Reserve and £ 4,075 to the Revaluation Reserve. None of these adjustments impacted on the General Fund.

Also as a result of revised depreciation the Net Book Value of disposed assets increased by £ 709 and the loss on sale of those assets increased by the same amount.

Landfill provision was increased by £ 106,158 - resulting in a reduction to the General Fund of the same amount.

A sales invoice processed on behalf of Causeway Coast and Glens Borough Council was previously included in Other Debtors at its Gross Value of £ 201,209 and at its Net Value of £ 167,674 under Creditors (Receipts in Advance) - these have now been reversed and the difference between Gross and Net £ 33,535 has been disclosed under debtors as amounts due from other councils namely Causeway Coast and Glens Borough Council.



Signed

David Jackson
Chief Financial Officer

Dated: 14 October 2015