

LIMAVADY BOROUGH COUNCIL  
Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2015



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## **Explanatory Foreword**

### **Introduction**

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

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

This Statement of Accounts explains the Council's finances during the financial year 2014/15 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. The 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 27, 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 28, 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 29, shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

## The Cash Flow Statement

The Cash Flow Statement, as set out on page 30, 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.

The Council reports cash flows from operating activities using the indirect method, whereby net Surplus or Deficit on the Provision of Services is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing or financing cash flows.

## Financial Report

For the year ended 31 March 2015 the Council increased its General Fund reserve by £88,557 to £1,292,166. When the 2014/15 Rate Estimates were struck, there was a negative Balance Applied of £235,087 which means that a deficit of £235,087 had been forecast. Therefore, for the financial year 2014/15, there was a favourable variance of £323,644 and the main variances for actual against budget were as follows:

Waste Disposal Costs - £92,000 Favourable

This was mainly due to 10% less tonnes than expected

Vehicle Costs - £88,000 Adverse

This was mainly due to increased repair and hire costs

Energy Costs - £81,000 Favourable

This was mainly due to lower prices

Roe Valley Leisure Centre Total Net Costs - £62,000 Adverse

This was mainly due to significant sickness costs

Legacy Grant Costs - £101,000 Adverse

Legacy grant was a fund available for organisations to give them the opportunity to apply for a small grant under the following themes : programme costs, equipment (but not personal equipment) and/or small scale capital projects

Members Allowances - £41,000 Favourable

This was due to councillors who were elected to the Causeway Coast and Glens Borough Council receiving reduced Basic Allowances

Loan Charges - £114,000 Favourable

This is because the Capital Expenditure in 2013/14 and 2014/15 was lower than expected and, as a result, less loans were taken out

District Rates - £286,000 Favourable

Council (LBC) has been informed by Land and Property Services that additional rates of £286,000 are due to LBC for the year 2014/15

Direct Revenue Financing - £277,000 Adverse

This is where capital expenditure is not fully financed by loans, grants or asset sales. The shortfall is written off to the General Fund. As loans do not need to be taken out for the relevant capital expenditure there will be savings on loan charges in future years.

Other - £238,000 Favourable

The remaining variance is made up of a high volume of smaller favourable and adverse variances

### Capital Expenditure

For 2014/15, capital expenditure was £1,549,911 (see Note 11a). The main items of expenditure were as follows:

Benone Tourist Complex Enhancement Project	£311,715
RVLC Plant Room Refurbishment	£258,949
RVLC - Health Suite	£225,914
Benone Activity Centre	£124,653
Lough Foyle Wildlife Project	£112,913
Cemetery Refurbishment	£78,034
Foreglen Play Area	£75,897

### Pensions

There has been an increase in the pension liability from £4,648,000 at 31 March 2014 to £5,836,000 at 31 March 2015, an increase of £1,188,000. Scheme liabilities have increased by £4,190,000 and scheme assets have increased by £3,002,000. For further information see Note 21.

### Investment Plans

Note 13 shows a summary of the capital commitments at 31 March 2015. These commitments are for both new facilities and the improvement of existing facilities and the main commitments are listed below. Grants associated with the commitments are also listed.

Dungiven Sports and Community Facilities	£2,559,324 (Grant - £2,500,000)
Provision of 3G Pitch and Upgrading of Pavilion	£371,492
Roe Valley Arts and Cultural Centre	£287,886
Benone Activity Centre	£276,680 (Grant - £223,800)

## Sources of Finance

Short Term Investments, net cash, loans and leases at 31 March 2015 combine to show a net debt of £10,361,089 and the Council can avail of overdraft facilities of £150,000.

The sources of finance in 2014/15 for the capital expenditure in 2014/15 and previous years were as follows:

Loans	£2,331,250
Grants	£435,854
Direct Revenue Financing	£276,844
Capital Receipts	<u>£2,133</u>
	<u>£3,046,081</u>

## Provisions/Landfill Reserve Accounting

The Council's provision is to cover the costs of closure and aftercare of the landfill site. As a result of increased costs and a change in the discount rate used the closure provision has increased by £169,933 and the aftercare provision has increased by £43,752. There is uncertainty regarding the closure and aftercare provision and Notes 19 and 24 give further information.

The Department of the Environment has put in place a financial arrangement to allow for mitigation of specific approved costs re. the landfill site over a set period of time. The approved costs and period of time are those agreed between the Council and the Department's Environment Policy Division in conjunction with the Northern Ireland Environment Agency. As a result the increases in the closure provision of £169,933 and aftercare provision of £43,752 have no effect on the General Fund. For further information see Note 27o.

## Property Revaluation

Land & Property Services (LPS), an Executive Agency within the Department of Finance and Personnel, provided asset indices at 31 March 2015 which were applied to freehold and leasehold properties which LPS had previously formally valued as at 31 March 2014. The valuation gave rise to a revaluation surplus of £1,211,943 and impairment reversals of £318,538.

## Post Balance Sheet Events

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

Causeway Coast and Glens Borough Council combines the previous councils of Ballymoney Borough Council, Coleraine Borough Council, Limavady Borough Council and Moyle District Council into one new body constituted under the framework established by the Local Government Act (Northern Ireland) 2014.

Under regulation 11 of the Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014, the new Council 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 have been prepared on a going concern basis in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom.

Due to the Reform of Local Government, there have already been and will be further redundancies among Limavady Borough Council employees. The RPA Staff Severance Scheme for Local Government (RPA Scheme) which has been agreed between the Employers' and Trade Union Side of the Local Government Reform Joint Forum applies to Council employees. Only the new Council is responsible for identifying and notifying those members of staff who have already been or will be approved to leave under the terms of the RPA Scheme. The number of staff and the potentially significant redundancy costs are not known as the RPA Scheme is open until 31 December 2019. As a result of the redundancies there will be significant savings for the new Council.

After the year end, seven redundancies were offered by Causeway Coast and Glens Borough Council to members of the former senior management team of Limavady Borough Council and other staff. The total cost of these redundancies is expected to be £1,258,025 and this cost will be borne by Causeway Coast and Glens Borough Council. The affected employees are expected to leave within one year.

### **Current Economic Climate**

The economic downturn experienced in recent years continues to affect both domestic and non-domestic ratepayers. For 2014/15, Council did not increase domestic and non-domestic rates which kept pressure on service delivery.

## **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 the Causeway Coast and Glens Borough Council Audit Committee on 29 June 2015.

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

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

The accounts 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.



# LIMAVADY BOROUGH COUNCIL

## GOVERNANCE STATEMENT 2014/15

### 1. SCOPE OF RESPONSIBILITY

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

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

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

### 2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

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

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

The Council's financial management arrangements conform to the requirements of the CIPFA statement on the role of the Chief Financial Officer in Local Government (2010). However, the Council's Chief Financial Officer is not a professionally qualified accountant but the Head of Finance, who is a member of the senior management team, is a professionally qualified accountant and suitably experienced.

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

### **3. THE GOVERNANCE FRAMEWORK**

Limavady Borough Council has been working to comply with those systems of governance arrangements identified in the Governance Framework as set out in the Annual Governance Statement file. In particular, the Council's position regarding compliance with the Governance Framework is as follows:

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

##### **3.1.1 Identifying the Vision and Intended Outcomes**

The Council's vision and intended outcomes are set out in Council's Corporate Plan for 2012 - 2015. This Corporate Plan was developed and implemented following a wide ranging consultation exercise with internal and external stakeholders. This consultation work included a review of the Council's vision, mission statement and values and, following consideration of the outcome of the consultation exercises, it was decided that the vision and mission statement were still applicable and did not need to be changed. The Corporate Plan was ratified by Council at the June 2012 Council meeting

##### **3.1.2 Integrated Business Plan**

An annual integrated business planning process has been in place within the Council since April 2006 and a new Integrated Business Plan was put in place for the 2014/15 financial year.

The actions in the Integrated Business Plan relate directly to the objectives identified in the Council's Corporate Plan and the Integrated Business Plan sets out in detail:

- Business Plan Actions;
- Lead Directorates;
- Internal/External Partners;
- Timescale;
- Key Performance Indicators;
- Key Outcomes.

Where appropriate and possible, the Business Plan objectives have SMART targets and KPI's identified.

Each Directorate (and their associated service areas) is expected to produce Directorate/service level business plans using the above process, which in turn will feed into the Integrated Business Planning process.

### 3.1.3 Communicating the Vision and Intended Outcomes

Since the adoption of the Corporate Plan 2012-15 it has been widely distributed in a number of ways:

- Internally via the Intranet service, Corporate Briefing sessions and the team meetings; and
- Externally via the Council website, Council Newsletter "The Roe Valley Update", and press releases/press coverage.

## 3.2 **Reviewing the Council's vision and its implications for the Council's governance arrangements**

### 3.2.1 Development of New Corporate Plan

In late 2011 and early 2012 Council developed and put in place a new Corporate Plan to cover the period 2012 to 2015. This work included a review of the Council's vision, mission statement and values. Following the outcome of the consultation exercises undertaken it was decided that the vision and mission statement were still applicable and did not need to be changed.

A wide range of different methods were used to seek the views of people on what they think of Council and what the Council's priorities should be for the next three years. For example, a questionnaire was developed which produced 120 on-line responses (through Survey Monkey) and 50 responses from face to face interviews. A specific questionnaire for visitors to the area was also utilised and Council received 24 responses to this.

The Council also ran a number of group consultation sessions with Councillors, with members of Council staff and with a range of stakeholders including the business community, community and voluntary groups and other statutory agencies. In addition there were specific group sessions with older people and with young people in order to obtain their views.

From this work the following core themes of the Council's new Corporate Plan were established, as follows:

- \* **Leadership**
- \* **Economic Development and Prosperity**
- \* **Quality of Life**
- \* **People and Communication**

Under each of these core themes a number of outcome statements were developed which helped refine what the Council wished to achieve.

A number of cross cutting themes were also identified:

- \* **Partnership working**
- \* **Equality**
- \* **Good Relations**
- \* **Sustainability**
- \* **Innovation**

### 3.2.2 Annual Reports

An Annual Report on progress towards achievement of the objectives of the Corporate Plan was prepared and published in October/November 2014.

Annual Reports are published via the Council Newsletter which is distributed to all residents in the Borough and other stakeholders by a variety of media, including hard copies at various outlets, by e-mail and it is also posted on the Council website.

### 3.3 **Measuring the quality of services for users, for ensuring they are delivered in accordance with the Council's objectives and for ensuring that they represent the best use of resources**

#### 3.3.1 The Business Planning Process

In order to implement the Council's Corporate Plan a process of Business Planning has been introduced within the Council. Each Council Directorate and the Chief Executive's Department are required to produce annual Business Plans for their particular areas of work.

These Business Plans are designed to set out the actions, activities, projects and programmes to be undertaken by the Directorates and Chief Executive's Department against each of the five Corporate Themes contained in the Corporate Plan 2012-15. They also enable progress on achieving the corporate objectives to be measured.

Each individual Directorate/Service Level Business Plan has been used to produce an annual Integrated Business Plan for Limavady Borough Council.

The aim of the Integrated Business Plan is:

- To co-ordinate the activities of the Council's three directorates and eight service areas in order to ensure their activities are consistent with the Council's vision and corporate aims;
- To ensure that there is a focus to Council's operational efforts against each of the five Corporate Themes; and

- To provide a monitoring baseline against which Elected Members and the Chief Executive's Department could monitor the Council's operational progress and be reported on.

Regular reviews of the Integrated Business Plan have been undertaken to assess progress against targets and a reporting mechanism, known as the "Traffic Light Scorecard", was developed to report on progress to Council and to staff. The Scorecard identifies a range of objectives and actions which reflects those contained in the Council's Corporate Plan and Integrated Business Plan. Progress is illustrated using a traffic light system of:

"Green" - projects/actions which have been achieved within target or are on target.

"Amber" – projects/actions which are not fully on course to be achieved or are not within the target timeframe but with remedial action can be achieved.

"Red" – projects/actions which are not on course for some reason and may not be delivered.

The Council continues to report on progress through use of the scorecard system on the Council's Integrated Business Plan. These reports have been placed before Council for consideration on a regular basis.

The measuring of quality of service and performance management is seen by the Council as a process carried across all levels of management and performance is overseen via reports presented to the Support Services Committee and Business Plan progress reports which are taken to full Council meetings.

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

#### **3.4.1 Roles and Responsibilities of Members**

The roles and responsibilities of the Members of Council are defined by the Northern Ireland Code of Local Government Conduct and also by Council's Standing Orders. 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.

In 2011 a Scheme of Delegation for Council was introduced and this sets out the powers reserved to Council and those delegated to Committees, the roles of Mayor, Deputy Mayor, Chairs of Committees and Councillors. The Scheme of Delegation was revised in November 2013 to take into account the powers delegated to members serving on the Statutory Transition Committee, procurement limits and other sub-committees, working groups and liaison committees within Council.

### 3.4.2 Roles and Responsibilities of Senior Officers

The levels of sign-off (authorisation) for approval of expenditure by senior officers up to the level of Chief Executive have been established as follows:

- Service Managers – up to and including £5,000 (ex VAT);
- Directors – up to £30,000 (ex VAT); and
- Chief Executive – any sum but above £30,000 Council approval required.

The Council has a Communication Plan and Strategy in place which sets out clear mechanisms and objectives for both internal and external communication. Clearly defined communication systems also exist to ensure regular reports to Council and the Council's three standing Committees and other internal communication systems include:

- Council intranet;
- Regular Corporate Briefing sessions with all staff sectors;
- Regular Team Meetings within Directorates; and
- Quarterly meetings between the Senior Management Team and Service Managers Group.

Externally Council also communicates with wider stakeholders through the Council website, newsletter and through press and media releases.

The Scheme of Delegation also outlines the powers delegated to Chief Officers and other delegated functions and this Scheme of Delegation was reviewed in November 2013.

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

### 3.5.1 Codes of Conduct for Members

The Northern Ireland Code of Local Government Conduct, as produced by the Department of the Environment, was circulated to members following their election to Council. It was circulated again as an Appendix to the Council's revised Standing Orders in October 2009.

With regard to travelling and subsistence claims, Councillors are required to complete a claim form (supported by receipts as appropriate) and sign a declaration regarding their claim. A report on members' allowances is brought to Council on an annual basis and is open to inspection by any elector. Information on the annual amount claimed by members for allowances, travel and subsistence is placed on the Council website each year.

A register of gifts and hospitality is maintained by the Chief Executive's Department in line with the Northern Ireland Local Government Code of Conduct and this is provided for in the Council's Standing Orders.

A register of pecuniary interest is maintained by the Chief Executive's Department and this is updated after a pecuniary interest is declared at a

Council meeting or when relevant information is provided by a member of staff.

Following the issuance of a new Code of Conduct and Registration of Interests for Councillors in the new Causeway Coast and Glens Shadow Council in June 2014, the new Code and Registration of Interests was applied to legacy Councils also for 2014/15, including Limavady Borough Council. All members were offered training on the application of the new Code of Conduct and Registration of Interests.

### 3.5.2 Codes of Conduct for Staff

The Code of Conduct for Local Government Employees was revised in April 2004 and was circulated at that stage to all members of staff. It is currently available to staff members via the Council's intranet system. The Code of Conduct is included as one of a small number of selected policies sent out with the Letter of Offer to new employees and is referred to during the induction sessions for all new employees.

The Code of Conduct includes a section on hospitality and gifts and all staff have been made aware of the Council's Hospitality Policy through induction training and the Corporate Briefing system.

In addition there are a number of supplementary codes and policies which outline the behaviour expected of staff members. New policies and procedures are brought to the attention of staff through the corporate briefing process and are also highlighted and made available via the Council's intranet system.

The induction process for all new staff includes a detailed explanation of specific policies on staff conduct (i.e. claiming of travelling and subsistence expenses, disciplinary and grievance policies and procedures, absence and sickness reporting procedures, Data Protection, Freedom of Information, equality and good relations and health and safety at work).

Other supplementary codes of practice relating to the conduct expected of employees include the following, all of which are available to staff via the Council's intranet system:

- Procurement Policy and Procedures;
- Fraud and Corruption Policy;
- Risk Management Policy and Procedures;
- Whistle Blowing Policy;
- Complaints Policy and Procedures;
- Gifts and Hospitality Policy;
- Laptop Security Policy;
- Information Security and Access Policy;
- Internet and E-Mail Policy;
- Social Media Policy;
- Time Off in Lieu Policy;
- Child Protection Policy;

- Equal Opportunities Policy;
- Harassment Policy;
- Good Relations Policy;
- Guidelines on Lone Working;
- Smoke Free Policy;
- Use of the Mobile Phone Whilst Driving;
- Guidelines on Dealing with the Press;
- Fire Safety Policy; and
- Corporate Health & Safety Policy
- Extreme Weather Policy

In addition a register of pecuniary interest is maintained in the Chief Executive's Department and is updated after any relevant meeting or when information has been provided by staff. There is also a section in Standing Orders covering interests of members and officers in contracts and other matters.

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

#### **3.6.1 Standing Orders**

As allowed for in the Local Government (NI) Act 1972, the Council has in place Standing Orders for the regulation of the proceedings of the Council and Council business. A full and detailed review of Standing Orders was completed during 2009 and the amended Standing Orders were adopted by Council on 6<sup>th</sup> October 2009.

Documented procedures for handling breaches of Standing Orders are contained in the Standing Orders document.

#### **3.6.2 Standing Financial Instructions**

The levels of sign off (authorisation) for approval of expenditure by senior officers up to the level of Chief Executive have been established as follows:

- Service Managers – up to and including £5,000 (ex VAT);
- Directors – up to and including £30,000 (ex VAT); and
- Chief Executive – any sum but above £30,000 Council approval required.

Council reviewed its purchasing policies and adopted a new procurement policy in April 2009. The Council's procurement policy was reviewed and updated again in May 2012 and in January 2013.

#### **3.6.3 Scheme of Delegation and Supporting Procedure Notes/Manuals**

A Scheme of Delegation was developed during the period and was adopted by Council on 5<sup>th</sup> April 2011. This Scheme of Delegation was reviewed in November 2013 and additional information was included in relation to



powers delegated to members serving on the Statutory Transition Committee.

The review of the Financial Procedural Manual ("Accounting Procedures Manual") took place in 2010/11 and the Accounting Procedures manual was updated in March 2011.

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

The Council established an Audit Committee in February 2006 and this Committee continues to meet quarterly. The Committee is chaired by Mr. Tony Jackson, an independent Chartered Accountant, and is made up of four Councillors. It is attended by Mr Steven Lindsay from the Council's Internal Auditors (Moore Stephens), and by relevant Council Officers.

The terms of reference for the Audit Committee are as those set out in the booklet "CIPFA – Audit Committees Practical Guidance for Local Authorities". A copy of the Terms of Reference adopted by the Council's Audit Committee is in the Annual Governance file for information. The Local Government Auditor is invited to attend each quarterly meeting.

Following the local government election in May 2011 Council's Audit Committee was reconstituted on the same basis as previously. Alderman Coyle, Alderman Rankin, Councillor Nicholl and Councillor Douglas were elected to the Audit Committee for the year 2014/15.

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

During 2009/10 the Council appointed Moore Stephens, Chartered Accountants, to provide a comprehensive internal audit service for a period of one year initially. The Audit Committee agreed on 9<sup>th</sup> June 2010 to extend this contract to the end of June 2011 in the interest of continuity.

Council's arrangements for provision of Internal Audit services came to a conclusion in June 2011. In pursuit of maximizing efficiencies within the North East cluster of Councils, Limavady Borough Council tendered jointly with Moyle District Council for Internal Audit services in August 2011. As a result of this, Moore Stephens Chartered Accountants were re-appointed to provide a comprehensive Internal Audit service to Council from October 2011 to October 2012 with an option to extend by a further two years.

Discussion took place at the Audit Committee meeting held on 20<sup>th</sup> June 2012 on the provision of the internal audit service when it was agreed to take up the option of extending the contract with Moore Stephens for an additional two years. It was therefore agreed that Moore Stephens would provide internal audit services to the Council up to June 2014.

Moore Stephens devised an Internal Audit Plan for 2014/15 which was approved by the Council's Audit Committee on 18<sup>th</sup> June 2014. This Internal Audit plan covered a range of Council's main activities, financial and

otherwise. Various aspects of operating activities have already been sampled and examined to ensure that appropriate legislation, policies and procedures are adhered to and expenditure is lawful. Internal Audit reports including award of assurance levels and recommendations for improvement are made quarterly to the Council's Audit Committee and reported on to Council.

The Audit Plan also provided for consultancy and advice to Council on governance, risk management and internal control issues.

Moore Stephens provided an annual report to the Audit Committee on 18<sup>th</sup> June 2014 which provided an overall conclusion on the system of internal controls operating in the Council during the 2013/14 year. In this report Moore Stephens provided the Council with an overall assurance rating of "Substantial" in relation to its system of internal control

### **3.9 Whistle-blowing and arrangements for receiving and investigating complaints from the public**

#### **3.9.1 Whistle-Blowing**

The Council has a Whistle-blowing Policy in place which was adopted by Council in April 2006. Associated Whistle-blowing procedures were also produced in tandem with the policy and these outline the role of managers/supervisors and the role of the Whistle-blowing Officer.

A Whistle-blowing Officer was appointed in April 2006 and, for 2014/15, the duties were shared by the Corporate Policy Officer and the Human Resources Manager.

Contact was made with 'Public Concern at Work' in June 2006 and the Council subscribed to the Helpline Starter Package offered by this charitable organisation at a cost of £250 plus 10p per employee per year. An important aspect of this subscription was the opportunity it offered for Council staff to access an independent helpline run by Public Concern at Work where they could get free, confidential advice on how to raise a public concern. This subscription continues to be taken by Council and the Helpline continues to be available to staff.

An awareness raising exercise was undertaken following the adoption of the Whistle-blowing Policy and staff were made aware of the existence of the policy through various mediums including the Corporate Briefing sessions and display of posters supplied by Public Concern at Work as part of their Starter Package. The policy is currently accessible to staff via the Staff Intranet.

Managers/Supervisors were made aware of the role they were expected to play in relation to Whistle-blowing allegations via a training session.

Council's Whistle-blowing policy and procedures were reviewed by the Senior Management Team and Service Managers Group on 1<sup>st</sup> June 2009

and staff were reminded of the contents of the policy and procedures through the Corporate Briefing process and again in May 2014.

### **3.9.2 Complaints Procedure**

The Council's Complaints Policy and Procedures was adopted in 2007 and revised by Council in August 2009.

Staff were made aware of the contents of the revised policy and procedures through Corporate Briefing sessions in January 2007 and the policy is currently accessible to staff via the Staff Intranet. A Customer Complaints Guide was developed, printed and circulated to all Council facilities with a requirement that the guide be prominently displayed.

In 2005 the Council put in place an Incident Tracking System which was designed to capture and track complaints from origin to conclusion. This software system is attached to the Council's Lotus Notes e-mail system and was developed for the Council by Team Solutionz. Officers are expected to log all complaints in the system and update the system as complaints are progressed. The system also logs compliments, comments, accidents and requests. The system can also generate regular reports on the status of complaints received by the Council.

### **3.10 Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training**

#### **3.10.1 Members**

As a new Council was elected in May 2011, arrangements were put in place to identify and address the development needs of new Councillors and returning Councillors.

An Induction Plan for Councillors was implemented in May 2011 to build capacity among new Councillors and returning Councillors. The Council also took advantage when needed of a programme of Elected Member training developed by the Local Government Staff Commission.

During 2014/15 further work was undertaken to ascertain the learning and development needs of Councillors and a training needs analysis exercise was repeated for 2014/15.

#### **3.10.2 Senior Officers**

The Council has made a clear commitment to the development of the knowledge and expertise of all staff as demonstrated by the Council's Training and Development Policy. Every member of staff is involved in a Personal Contribution and Development Review (PCDR) process with their immediate supervisor/line manager. This incorporates a section on personal development requirements which results in the establishment of a Personal Development Plan for each individual staff member.

During 2014/15 the Council progressed its approach to training and development for all staff, including senior officers, with Local Government Reform as the main driver. Training and development needs were identified to prepare staff for Reform.

Training for staff is provided via a variety of mechanisms (i.e. in-house, through the Local Government Training Group, through external providers). Any mandatory training required, or training needed because of changes in legislation, or continuing professional development were also facilitated by Council.

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

#### **3.11.1 Communication Strategy/Plan**

The Council's Communication Strategy was reviewed during the 2010/11 year by the Council's Continuous Improvement Group and implemented during the 2013/14 year. A communication strategy specifically relating to local government reform was developed and implemented during the 2013/14 year and throughout 2014/15.

#### **3.11.2 Council Newsletter**

The Council produced its newsletter "The Roe Valley Update" in November 2014. The November edition contained, amongst other items, the Annual Report for 2013/14 and was the last issue for the Limavady Borough Council, which terminates on 31<sup>st</sup> March 2015.

#### **3.11.3 Council Website**

During 2006/2007 the Council's website was redesigned and now has an AA standard of accessibility. The website includes a wide range of information on Council services and facilities as well as links to a number of other statutory and community organisations.

The website currently offers the community the opportunity to make secure on-line payments for the purchase of wheeled bins and dog licences. Application forms for job vacancies and application forms for various licenses (Amusement licences, Entertainment licences, etc) are also available.

Members of the public are invited to "Have Your Say" on the home page of the website. This is designed to solicit feedback from the community on a range of issues, not just on their experience of using the website. The home page also enables users to view a "Contact Us" page which outlines all contact details for the Council and also offers an on-line method of making Freedom of Information requests.

A "Corporate News" section is featured on the home page and this section enables users to access a section which includes items such as the Council's Corporate Plan and Annual Reports.

#### 3.11.4 Annual Report

The Council's Annual Report, outlining the activities and actions undertaken by the Council over the previous financial year was published via the intranet system, placed on the Council's website and appeared as a major item within the Council Newsletter published in November 2014.

#### 3.11.5 Community Forums

In order to enable effective communication with the community/voluntary sector of our local community, Limavady Community Forum was set up and is serviced by the Council with the ethos of "working together for the benefit of all".

In 2011 the Community Forum lapsed, however, in its place a new Community Network was formed to enable community group members to come together for the purpose of joint learning, sharing of good practice and the provision of a "voice" for the community sector locally and continued to meet in 2014/15.

#### 3.11.6 Council Meetings

All meetings of the Council and its Standing Committees are open to the public to attend if they so wish.

#### 3.11.7 LBC Weekly Roundup

Within Council the Media Relations Office produces a regular news roundup for staff providing information on events and activities within Council.

### 4. REVIEW OF EFFECTIVENESS

On 9<sup>th</sup> March 2011 the Audit Committee approved the use of a self-assessment checklist, "Measuring the Effectiveness of the Audit Committee", based on the guidance for local authorities published by the Chartered Institute of Public Finance & Accountancy (CIPFA). This checklist continued to be implemented in 2013/14.

The Council carries out an annual review of Corporate Governance by its Internal Auditors and External Auditors and through its Annual Governance Statement.

The Internal Auditors and External Auditors' reports and comments on the governance environment are reported to Council's Audit Committee. The minutes of the Audit Committee meetings are brought before the full Council for consideration when elected members have the opportunity to comment

and question the reports. The 2014/15 External Auditor's reports will be issued to the new Council's Audit Committee.

Council received a substantial level of assurance from its Internal Auditors in their Annual Report 2014/15 and the annual Local Government Auditor's letter for 2013/14 raised no significant issues from the auditor's review of corporate governance and Value for Money arrangements; the auditor was satisfied that the Council had in place proper arrangements to ensure economy, efficiency and effectiveness in the use of resources. There were no priority one issues identified in 2013/14. Most prior year recommendations were addressed by Council during the year.

The effectiveness of the overall governance framework of Council has been maintained and has been subject to review within the following contexts:

#### 4.1 Councillors

Review of governance arrangements takes place within the context of the Council's Audit Committee which was originally established in February 2006. This Committee meets on a quarterly basis and is chaired by Mr. Tony Jackson, an independent Chartered Accountant, and is made up of four Councillors. It is attended by Mr Steven Lindsay from the Council's Internal Auditors (Moore Stephens), and by relevant Council Officers. The Local Government Auditor is invited to attend each quarterly meeting.

The Audit Committee met on the following dates in 2014/15:

- 18<sup>th</sup> June 2014
- 15<sup>th</sup> October 2014
- 11<sup>th</sup> December 2014
- 25<sup>th</sup> March 2015

All Councillors are also involved in on-going governance activity through the meetings of Council and its all-member standing Committees which have full delegated authority.

#### 4.2 Senior Officers

The Senior Management Team meets every two weeks and considers a range of governance issues. The Council also has in place an Officer Code of Conduct supplemented by a range of policies and procedures governing the conduct expected of employees

An 'assurance chain' is evident within the Council with Operational Risk Registers subject to quarterly review and sign off by operational managers and their respective Directors. A formal process of assurance sign off was further implemented during this period and involved the completion by each Director/Head of Service of an annual assurance statement pro-forma. For the 2014/15 year each Director/Head of Service was required to submit a completed assurance statement by the end of March 2015 for final sign-off by the Chief Executive.

Assurance was also demonstrated in the 2014/15 year through the work of the Council's internal auditors, Moore Stephens, Chartered Accountants. Completion of audit reports by the internal auditors gave assurance levels in relation to each of the areas audited by them. The reports prepared by the internal auditors were reported through the Council's Audit Committee with the minutes of meetings of the Audit Committee ratified by full Council.

#### 4.3 Audit Committee

As outlined in 4.1 above, the Council's Audit Committee plays an essential role in the overview of governance arrangements within the Council. The terms of reference for the Audit Committee are those set out in the booklet "*CIPFA – Audit Committees Practical Guidance for Local Authorities*".

Council does not have a Scrutiny Committee but would contend that the existing Committees of Council and the Audit Committee provide a scrutiny role.

The Council's Audit Committee continues to oversee progress on the Council's Corporate Risk Register and reports on progress are brought to each meeting of the Committee by the Chief Executive.

#### 4.4 Internal Audit Function

The Council has an Internal Audit service in place and this is carried out by external consultants, Moore Stephens, Chartered Accountants. Moore Stephens were reappointed by Council to provide an internal auditor service for one year in October 2011 following a joint tender exercise with Moyle District Council.

Discussion took place at the Audit Committee meeting held on 20<sup>th</sup> June 2012 on the provision of the internal audit service when it was agreed to take up the option of extending the contract with Moore Stephens for an additional two years. It was therefore agreed that Moore Stephens would provide internal audit services to the Council up to June 2014 which was extended to 31 March 2015 when Limavady Borough Council will cease to exist.

### 5. SIGNIFICANT GOVERNANCE ISSUES

5.1 The Council has identified a deficit of procurement expertise at its disposal and is joining with the rest of the Causeway Coast & Glens cluster of Councils to employ a Procurement Manager in 2014/15 to handle high level procurement exercises and provide a source of advice and training. A joint appointment across the Causeway Coast and Glens cluster of Councils was made in 2014.

5.2 Due to lack of reserves the Council has capitalised landfill closure and aftercare costs in line with the Department of the Environment Circular LG 16/12, dated 29 May 2012, which allows for the mitigation of specific approved costs re the landfill site over a set period of time. Council will be

taking steps, when the engineering works to close the landfill site start, to raise enough money in rates to meet these liabilities over the following ten years.

The Council does not currently own the land on which the landfill site is situated. After unsuccessful negotiations with the landowners Council agreed, in June 2012, to make application to the Department of the Environment to vest the necessary land at Drumaduff. A vesting application was formally submitted to the Department of the Environment (DoE) in October 2013. A total of eleven objections to the vesting application have been lodged with the DoE. These are currently being considered by Council and the DoE.

- 5.3 From 1 April 2015, under the Reform of Local Government (RLG), 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 agreed to transfer some functions currently carried out by NI Government Departments and has given some new responsibilities to the 11 new Councils. The new Councils will be stronger, more efficient and will deliver more effective services.

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

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

Signed:  \_\_\_\_\_ Date: 14 October 2015

Signed:  \_\_\_\_\_ Date: 14 October 2015

On behalf of the Causeway Coast and Glens Borough Council Audit Committee and by the Chief Executive of the Causeway Coast and Glens Borough Council



## Certificate of the Chief Financial Officer

I certify that:-

- (a) the Statement of Accounts for the year ended 31 March 2015 on pages 27 to 98 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 31 to 47.
- (b) in my opinion the Statement of Accounts give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

Signature



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 the Causeway Coast and Glens Borough Council Audit Committee on 29 June 2015.

Signature



Chair of 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 Limavady 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 issued by the Chief Local Government Auditor. 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 Limavady Borough Council.

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

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

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

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

### **Opinion on financial statements**

In my opinion:

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

## Opinion on other matters

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

## Matters on which I report by exception

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

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

## Certificate

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



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

28 October 2015

LIMAVADY BOROUGH COUNCIL  
 Movement in Reserves Statement  
 For the current and comparative year

	General Fund Summary	Statutory Reserves	Other Fund Balances & Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£	£	£	£	£	£	£
At 1 April 2013	816,739	0	0	0	816,739	840,950	1,657,689
Movement in reserves during the year							
Surplus or (deficit) on the provision of services	(1,605,322)	0	0	0	(1,605,322)	0	(1,605,322)
Other Comprehensive Income and Expenditure	0	0	0	0	0	4,634,106	4,634,106
Total Comprehensive Income and Expenditure	(1,605,322)	0	0	0	(1,605,322)	4,634,106	3,028,784
Adjustments between accounting basis & funding basis under regulations							
Net Increase/Decrease before Transfers to Statutory and Other Reserves	1,992,192	0	0	0	1,992,192	(1,992,192)	0
Transfers to/from Statutory and Other Reserves	386,870	0	0	0	386,870	2,641,914	3,028,784
Increase/Decrease in Year	0	0	0	0	0	0	0
At 31 March 2014	386,870	0	0	0	386,870	2,641,914	3,028,784
Movement in reserves during the year							
Surplus or (deficit) on provision of services	1,203,609	0	0	0	1,203,609	3,482,864	4,686,473
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0
Total Comprehensive Income and Expenditure	1,203,609	0	0	0	1,203,609	3,482,864	4,686,473
Adjustments between accounting basis & funding basis under regulations							
Net Increase/Decrease before Transfers to Statutory and Other Reserves	(62,706)	0	0	0	(62,706)	62,706	0
Transfers to/from Statutory and Other Reserves	88,557	0	0	0	88,557	408,649	497,206
Increase/Decrease in Year	0	0	0	0	0	0	0
At 31 March 2015	88,557	0	0	0	88,557	408,649	497,206
Movement in reserves during the year							
Surplus or (deficit) on provision of services	1,292,166	0	0	0	1,292,166	3,891,513	5,183,679
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0
Total Comprehensive Income and Expenditure	1,292,166	0	0	0	1,292,166	3,891,513	5,183,679
Adjustments between accounting basis & funding basis under regulations							
Net Increase/Decrease before Transfers to Statutory and Other Reserves	0	0	0	0	0	0	0
Transfers to/from Statutory and Other Reserves	0	0	0	0	0	0	0
Increase/Decrease in Year	0	0	0	0	0	0	0
At 31 March 2015	0	0	0	0	0	0	0

LIMAVADY BOROUGH COUNCIL

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

	Notes	Gross Expenditure	2014/15 Gross Income	Net Cost	Gross Expenditure	2013/14 Gross Income	Net Cost
		£	£	£	£	£	£
<b>Services Expenditure</b>							
Leisure and Recreational Services	2	5,180,409	1,428,150	3,752,259	6,230,233	1,385,023	4,845,210
Environmental Services	2	4,972,525	514,434	4,458,091	5,022,501	434,848	4,587,653
DRM and Corporate Management	2	925,050	41,452	883,598	808,051	60,685	747,366
Other Services	2	855,038	550,193	304,845	528,779	305,404	221,375
<b>Cost of Services on Continuing Operations</b>	<b>4-6</b>	<b>11,933,022</b>	<b>2,534,229</b>	<b>9,398,793</b>	<b>12,587,564</b>	<b>2,185,960</b>	<b>10,401,604</b>
Other Operating Expenditure	7	21,899	0	21,899	0	0	0
Financing and Investment Income and Expenditure	8	906,084	19,225	886,859	953,390	22,527	930,863
Surplus or Deficit on Discontinued Operations		0	0	0	0	0	0
<b>Net Operating Expenditure</b>		<b>12,861,005</b>	<b>2,553,454</b>	<b>10,307,551</b>	<b>13,540,954</b>	<b>2,208,487</b>	<b>11,332,467</b>
Taxation and Non-Specific Grant Income	9	0	10,458,814	(10,458,814)	0	9,727,145	(9,727,145)
<b>Surplus/(Deficit) on the Provision of Services</b>		<b>12,861,005</b>	<b>13,012,268</b>	<b>151,263</b>	<b>13,540,954</b>	<b>11,935,632</b>	<b>(1,605,322)</b>
Surplus/(Deficit) on revaluation of non-current assets	11a/11b/11d			1,495,038			2,108,528
Impairment losses on non-current assets charged to the Revaluation Reserve	11a/11b/11d			(283,095)			1,301,578
Remeasurements of the Net Defined Benefit Liability (Asset)	21b			(866,000)			1,224,000
<b>Other Comprehensive Income and Expenditure</b>				<b>346,943</b>			<b>4,634,106</b>
<b>Total Comprehensive Income and Expenditure</b>				<b>497,206</b>			<b>3,028,784</b>

LIMAVADY BOROUGH COUNCIL  
Balance Sheet As At 31 March 2015

	Notes	2014/15 £	2013/14 £
Property Plant & Equipment (PP&E)	11a/11b	27,390,232	25,273,204
Heritage Assets	11d	235,020	235,020
Intangible Assets	11a/11b	21,990	30,644
Long Term Debtors	15a	6,041	7,461
<b>LONG TERM ASSETS</b>		<b>27,653,283</b>	<b>25,546,329</b>
Short Term Investments	16	0	2,431,515
Inventories	14	20,700	40,745
Short Term Debtors	15b	1,925,567	1,754,353
Cash and Cash Equivalents	25b	5,868,510	1,909,607
<b>CURRENT ASSETS</b>		<b>7,814,777</b>	<b>6,136,220</b>
Bank Overdraft	25b	1,208,952	583,196
Short Term Borrowing	17a	506,408	477,418
Short Term Creditors	18a	1,016,580	1,163,497
<b>CURRENT LIABILITIES</b>		<b>2,731,940</b>	<b>2,224,111</b>
Provisions	19	6,978,402	6,764,717
Long Term Borrowing	17b	14,514,239	12,689,396
Other Long Term Liabilities	5c, 21c	5,836,000	4,648,000
Capital Grants Receipts in Advance	22	223,800	669,852
<b>LONG TERM LIABILITIES</b>		<b>27,552,441</b>	<b>24,771,965</b>
<b>NET ASSETS</b>		<b>5,183,679</b>	<b>4,686,473</b>
<b>USABLE RESERVES</b>			
<b>UNUSABLE RESERVES</b>	26a/26b	1,292,166	1,203,609
<b>NET WORTH</b>	26a/26b	<b>3,891,513</b>	<b>3,482,864</b>
		<b>5,183,679</b>	<b>4,686,473</b>

LIMAVADY BOROUGH COUNCIL  
Cash Flow Statement at 31 March 2015

	<i>Notes</i>	2014/15 £	2013/14 £
<b>Net surplus or (deficit) on the provision of services</b>		151,263	(1,605,322)
Adjustment to surplus or deficit on the provision of services for noncash movements	<i>25a</i>	641,342	2,528,919
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	<i>25a</i>	(437,987)	(20,978)
		<hr/>	<hr/>
<b>Net cash flows from operating activities</b>		354,618	902,619
<b>Net Cash flows from Investing Activities</b>	<i>25d</i>	1,124,696	(665,635)
<b>Net Cash flows from Financing Activities</b>	<i>25e</i>	1,853,833	847,979
		<hr/>	<hr/>
<b>Net increase or decrease in cash and cash equivalents</b>		3,333,147	1,084,963
Cash and cash equivalents at the beginning of the reporting period		1,326,411	241,448
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the reporting period</b>	<i>25b</i>	<u>4,659,558</u>	<u>1,326,411</u>

**LIMAVADY BOROUGH COUNCIL**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**1a Accounting Policies**

**General Principles**

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

**Summary of Significant Accounting Policies**

**i) Accruals of Income and Expenditure**

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

**ii) 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 less than three months 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. Bank overdrafts are shown within current liabilities on the balance sheet.



### iii) 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.

### iv) 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.

### v) Employee Benefits

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

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

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.

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

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

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

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

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

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

#### **vii) 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.

#### viii) 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.

#### ix) 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**

###### Amortised Cost

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

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

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

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

### **Financial Assets**

Financial assets are classified into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market

- available-for-sale assets – that have a quoted market price and/or do not have fixed or determinable payments.

### Loans and Receivables

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

Where the Council has made loans to voluntary organisations at less than market rates (soft loans), a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

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

Any gains and losses that arise on the 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 principles:

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

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

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

Any gains and losses that arise on the 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).

#### **x) Foreign Currency Translation**

Income received and payments made in foreign currency are translated at the rate prevailing when lodged to the bank or when payment is made. Whilst this is contrary to the Statement of Recommended Practice, due to the sums involved, the effect of the different treatment would be immaterial.

#### **xi) Government Grants and Contributions**

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

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

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

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

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

## **xii) 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 General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and, for any sale proceeds greater than £2,000, the Capital Receipts Reserve.

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

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. Inventories are valued on the basis of the latest invoiced price. This is not materially different from valuations on First In First Out (FIFO)/weighted average bases as recommended by IAS 2 (Inventories).

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.

#### xiv) Investment Property

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

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

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

#### xv) 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.

#### xvi) Leases

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

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

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

##### The Council as Lessee

###### *Finance Lease:*

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

Lease payments are apportioned between:

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



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

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

#### *Operating Leases:*

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

#### The Council as Lessor

##### *Finance Leases*

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

Lease rentals receivable are apportioned between:

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

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

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

### *Operating Leases*

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to 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.

### **xvii) 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.

### **xviii) Overheads and Support Services**

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

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

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

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

#### xix) Property, Plant and Equipment

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

##### Recognition

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

##### Measurement

Assets are initially measured at cost, comprising:

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

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

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

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

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

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

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

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

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

#### Impairment

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

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

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains), with any excess charged to the service line in the Comprehensive Income and Expenditure Statement.
- where there is no balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.
- where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

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

#### Depreciation

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

Depreciation is charged on a straight-line basis on each main class of tangible asset as follows:

- buildings, installations and fittings are depreciated on their historic value over the estimated remaining life of the asset as advised by the valuer. Depending on the type of building, installation or fitting the maximum useful life will be in the range of 15 to 60 years;
- vehicles, plant and equipment (excluding I.T. equipment) are depreciated on historic cost using a standard life of 5 to 12 years. Intangible assets are depreciated using a standard life of 5 years. I.T. equipment is depreciated using a standard life of 5 years; and
- no depreciation is charged in the year of acquisition and a full year's depreciation in the year of disposal.

#### Componentisation

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

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

#### Revaluations

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

## **xx) Heritage Assets**

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

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

The Council holds two types of heritage assets; statues and paintings. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below.

The accounting policies in relation to heritage assets that are deemed to include elements of intangible heritage assets are also presented below. The Council's collections of heritage assets are accounted for as follows.

### **Statues**

There are two statues in the Council's collection. These items are reported in the Balance Sheet at insurance valuation. These insurance valuations are updated on a five year basis. The statues are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

### **Art Collection**

There are three paintings reported in the Balance Sheet at insurance valuation. These insurance valuations are updated on a five year basis. These assets are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

The Council has other paintings but none of them are valued at more than £2,000 and are not reported in the Balance Sheet

### **Heritage Assets – General**

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets (e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity). Any impairment is recognised and measured in accordance with the Council's general policies on impairment – see Note xix in this summary of significant accounting policies. Where heritage assets are disposed of, the proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts (again see Notes xvii and xix in this summary of significant accounting policies).

## **xxi) 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.

#### **xxii) 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.

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

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

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

The Council is not required to raise District Rates to cover depreciation, 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, impairment losses and amortisations are therefore replaced by minimum 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.

#### **xxiv) 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.

#### **xxv) Capital grants to community / voluntary bodies**

These payments do not fulfil the definition of an asset as per the Statement of Principles, and are written off directly to the relevant service

#### **xxvi) Value Added Tax**

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

#### **xxvii) Landfill Reserve Accounting**

As a result of the Department of the Environment Circular LG 16/12, dated 29 May 2012, which allows for the mitigation of specific approved costs re. the landfill site over a set period of time, Council obtained a dispensation to transfer an agreed amount from the General Fund to a reserve called the Landfill Regulations Reserve. See the Explanatory Foreword and Note 27o) for further information.

#### **xxviii) Restatements**

In some cases, certain comparatives have been restated to enable comparison with current year balances.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In applying accounting policies set out from 1a above the Council has had to make no critical judgements about complex transactions or those involving uncertainty about future events.

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

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

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

### **i) Provisions**

The Council's provision is to cover the costs of closure and aftercare of the landfill site. See Notes 19 (Provisions) and 24 (Contingencies).

### **ii) Pensions Liability**

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries, Aon Hewitt Limited, is engaged to provide the Council with expert advice about the assumptions to be applied. See Note 21 (Retirement Benefits).



**LIMAVADY BOROUGH COUNCIL**  
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**2a Segmental Reporting Analysis - Current Year**

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

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

Services	2014/15		
	Gross Expenditure	Gross Income	Net Expenditure/ (Income)
	£	£	£
Culture and Heritage	477,527	68,928	408,599
Recreation and Sport	3,491,795	913,475	2,578,320
Tourism	587,033	217,662	369,371
Community Services	624,054	228,085	395,969
<b>Leisure and Recreational Services</b>	<b>5,180,409</b>	<b>1,428,150</b>	<b>3,752,259</b>
Cemetery, Cremation and Mortuary	71,381	9,375	62,006
Environmental Health	711,092	75,899	635,193
Flood Defence and Land Drainage	0	0	0
Public Conveniences	74,237	339	73,898
Licensing	37,729	22,484	15,245
Other Cleaning	580,876	16,288	564,588
Waste Collection	1,287,361	131,660	1,155,701
Waste Disposal	1,627,950	86,425	1,541,525
Building Control	342,262	171,575	170,687
Other Community Assets	0	0	0
Minor Works	239,637	389	239,248
<b>Environmental Services</b>	<b>4,972,525</b>	<b>514,434</b>	<b>4,458,091</b>
Democratic Representation and Management	546,605	2,016	544,589
Corporate Management	378,445	39,436	339,009
<b>DRM and Corporate Management</b>	<b>925,050</b>	<b>41,452</b>	<b>883,598</b>
Economic Development	552,074	344,656	207,418
Trading Services	0	0	0
Non Distributed Costs	0	0	0
Central Services to the Public	302,964	205,537	97,427
<b>Other Services</b>	<b>855,038</b>	<b>550,193</b>	<b>304,845</b>
<b>CONTINUING OPERATIONS</b>	<b>11,933,022</b>	<b>2,534,229</b>	<b>9,398,793</b>

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

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

	£	£
<b>Net Cost of Services in Service Analysis</b>		<b>9,398,793</b>
<i>Items excluded from Service Analysis:</i>		
Add amounts not reported in Service Analysis but included in Net Cost of Services in Comprehensive Income and Expenditure Statement	0	
Remove amounts reported in Service Analysis but not included in Net Cost of Services in Comprehensive Income and Expenditure Statement	0	
		<u>0</u>
<b>Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement</b>		<b>9,398,793</b>
<i>Items included in Net Operating Expenditure excluded from Service Analysis:</i>		
Other Operating Expenditure	21,899	
Financing and Investment Income and Expenditure	886,859	
Surplus or Deficit on Discontinued Operations	0	
		<u>908,758</u>
<b>Net Operating Expenditure per the Comprehensive Income and Expenditure Statement</b>		<b>10,307,551</b>

**LIMAVADY BOROUGH COUNCIL**  
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**2b Segmental Reporting Analysis - Comparative Year**

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

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

Services	2013/14		
	Gross Expenditure	Gross Income	Net Expenditure/ (Income)
	£	£	£
Culture and Heritage	1,539,946	59,829	1,480,117
Recreation and Sport	3,588,854	906,460	2,682,394
Tourism	634,823	165,130	469,693
Community Services	466,610	253,604	213,006
<b>Leisure and Recreational Services</b>	<b>6,230,233</b>	<b>1,385,023</b>	<b>4,845,210</b>
Cemetery, Cremation and Mortuary	65,319	11,660	53,659
Environmental Health	650,243	73,980	576,263
Flood Defence and Land Drainage	0	0	0
Public Conveniences	96,895	257	96,638
Licensing	33,663	18,816	14,847
Other Cleaning	561,361	16,094	545,267
Waste Collection	1,380,701	116,504	1,264,197
Waste Disposal	1,631,934	17,662	1,614,272
Building Control	321,067	179,415	141,652
Other Community Assets	0	0	0
Minor Works	281,318	460	280,858
<b>Environmental Services</b>	<b>5,022,501</b>	<b>434,848</b>	<b>4,587,653</b>
Democratic Representation and Management	405,012	40,048	364,964
Corporate Management	403,039	20,637	382,402
<b>DRM and Corporate Management</b>	<b>808,051</b>	<b>60,685</b>	<b>747,366</b>
Economic Development	225,901	87,555	138,346
Trading Services	0	0	0
Non Distributed Costs	0	0	0
Central Services to the Public	300,878	217,849	83,029
<b>Other Services</b>	<b>526,779</b>	<b>305,404</b>	<b>221,375</b>
<b>CONTINUING OPERATIONS</b>	<b>12,587,564</b>	<b>2,185,960</b>	<b>10,401,604</b>

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

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

	£	£
<b>Net Cost of Services in Service Analysis</b>		<b>10,401,604</b>
<i>Items excluded from Service Analysis:</i>		
Add amounts not reported in Service Analysis but included in Net Cost of Services in the Comprehensive Income and Expenditure Statement	0	
Remove amounts reported in Service Analysis but not included in Net Cost of Services in the Comprehensive Income and Expenditure Statement	0	
		<u>0</u>
<b>Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement</b>		<b>10,401,604</b>
<i>Items included in Net Operating Expenditure excluded from Service Analysis:</i>		
Other Operating Expenditure	0	
Financing and Investment Income and Expenditure	930,863	
Surplus or Deficit on Discontinued Operations	0	
		<u>930,863</u>
<b>Net Operating Expenditure per the Comprehensive Income and Expenditure Statement</b>		<b>11,332,467</b>

LIMAVADY BOROUGH COUNCIL  
Notes to the Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2015

3a Adjustments between accounting basis and funding basis under regulations

	Notes	2014/15 £	2014/15 £	2013/14 £	2013/14 £
<b>Amounts Included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:</b>					
Impairments (losses & reversals) of non-current assets	11a/11b/26	(309,000)		1,337,021	
Derecognition (other than disposal) of non-current assets		0		0	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services		0		0	
Depreciation charged in the year on non-current assets	11a/11b/26	938,448	629,448	842,927	2,179,948
Net Revenue expenditure funded from capital under statute	12/26		39,484		0
Carrying amount of non current assets sold	11/26	24,032		0	
Proceeds from the sale of PP&E, investment property and intangible assets	25a/26	(2,133)	21,899	0	0
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements			0		0
Net charges made for retirement benefits in accordance with IAS 19	21b/26		1,039,000		1,087,000
Direct revenue financing of Capital Expenditure	12/26		(276,844)		(214,097)
Capital Grants and Donated Assets Receivable and Applied in year	9/26		(435,854)		(20,978)
Capital Grants Receivable and Unapplied in year			0		0
Rates Claw-Back Reserve			0		0
Adjustments in relation to Short-term compensated absences	18a/26		(2,474)		(5,846)
Adjustments in relation to Lessor Arrangements			0		0
Landfill Regulations Reserve Adjustment	19/26		213,685		360,815
Provisions Discount Rate Reserve Adjustment			0		0
<b>Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year</b>					
Statutory Provision for the financing of Capital Investment	26a/26b		(574,050)		(592,327)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	21b/26		(717,000)		(802,323)
			(62,706)		1,992,192

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

		2014/15 £	2014/15 £	2013/14 £	2013/14 £
<b>Capital Fund</b>					
Interest		0		0	
Other	26	0	0	0	0
<b>Renewal and Repairs Fund</b>					
Interest		0		0	
Other	26	0	0	0	0
<b>Other Funds and earmarked reserves</b>					
Interest		0		0	
Other	26	0	0	0	0
			0	0	0

**LIMAVADY BOROUGH COUNCIL**  
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**Cost of Services on Continuing Operations**

**4a Miscellaneous powers to make payments**

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

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

Limits on special payments are calculated by reference to section 40 of the Local Government Finance Act (Northern Ireland) 2011 and for this council the resulting limit was £16,686 for 2014/15 (£16,094 in 2013/14).

The Actual expenditure during 2014/15 amounted to £Nil, (£Nil in 2013/14).

**4b External Audit Fees**

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

	2014/15	2013/14
	£	£
External Audit Fees	22,541	25,945
Other Fees	1,173	0
	<b>23,714</b>	<b>25,945</b>

There were no other fees payable in respect of any other services provided by the appointed auditor over and above those described above (2013/14 - £Nil)

For 2014/15, Council received a grant of £21,197 from the Northern Ireland Executive in respect of external audit fees.

LIMAVADY BOROUGH COUNCIL  
Notes to the Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2015

Cost of Services on Continuing Operations (Continued)

5 Operating and Finance Leases

Council as Lessor:

5a Finance Leases

The Council does not act as a lessor for finance leases.

5b Operating Leases

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

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

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £8,115 (previous year : £12,170). No contingent rents were recognised.

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

	2015		2014	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease rentals receivable:				
No later than 1 year	10,335	0	364	0
Later than 1 year and no later than 5 years	17,755	0	0	0
Later than 5 years	0	0	0	0
	28,090	0	364	0

A small area of Roe Valley Arts and Cultural Centre was rented to two small businesses with, in 2014/15, an annual rental of £8,115. It would not be cost effective to value the small area which has been rented. In 2014/15 the Ferry Terminal at Magilligan Point was leased to the Lough Foyle Ferry Company Limited for a peppercorn rent.

## Council as Lessee:

### 5c *Finance Leases*

Fitness Equipment in Dungiven Sports Pavillion is held under a finance lease. The net carrying amount of the equipment held under a finance lease arrangement is £Nil (2013/14 - £17,681). The assets are included under Vehicles, Plant & Equipment which form an integral part of property, plant and equipment (see Note 11c - leased assets). The rental paid for the equipment held under a finance lease totalled £12,295 (2013/14 - £21,078).

Two GatorboXx's have been installed at Roe Valley Leisure Centre in order to reduce energy costs. The equipment is held under a finance lease. The net carrying amount of the equipment held under a finance lease arrangement is £5,581 (2013/14 - £8,371). The assets are included under Vehicles, Plant & Equipment which form an integral part of property, plant and equipment (see Note 11c - leased assets). The rental paid for the equipment held under a finance lease totalled £Nil (2013/14 - £4,950).

The lease agreement for the equipment includes fixed lease payments and a purchase option at the end of the respective lease terms. The agreement is non-cancellable but does not include any further restrictions.

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

	Within 1 year	1 to 5 years	After 5 years	Total
	£	£	£	£
<b>2014/15</b>				
Finance leases payments	0	0	0	0
Less: finance charges	0	0	0	0
<b>Net present value</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2013/14</b>				
Finance leases payments	12,295	0	0	12,295
Less: finance charges	(260)	0	0	(260)
<b>Net present value</b>	<b>12,035</b>	<b>0</b>	<b>0</b>	<b>12,035</b>

Included in the Balance Sheet as:

	2015	2014
	£	£
Current liabilities	0	12,035
Long term liabilities	0	0
	<b>0</b>	<b>12,035</b>



5d *Operating Leases*

The Council has acquired Waste Management and Street Cleaning Vehicles by entering into operating leases with a typical life of 3 years. It has also entered into operating leases for Land at Magilligan (£1,250 p.a. until 29 December 2099), the Green Lane Museum (£2,600 p.a. until 1 October 2032) and Benone Foreshore (£690 p.a. until 31 August 2019).

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

	2014/15		2013/14	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease payments	31,740	232,460	31,740	232,460
Contingent rentals	0	0	0	0
Less: Sublease payments receivable	0	0	0	0
	<b>31,740</b>	<b>232,460</b>	<b>31,740</b>	<b>232,460</b>

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

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

	2015		2014	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Minimum lease rentals payable:				
No later than 1 year	4,540	2,100	31,740	232,460
Later than 1 year and no later than 5 years	17,815	4,725	18,160	6,825
Later than 5 years	132,188	0	136,383	0
	<b>154,543</b>	<b>6,825</b>	<b>186,283</b>	<b>239,285</b>

**LIMAVADY BOROUGH COUNCIL**  
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**Cost of Services on Continuing Operations (Continued)**

**6 Employee Costs and Members' Allowances**

**6a Staff Costs**

		Restated
	2014/15	2013/14
	£	£
Salaries and wages	4,015,830	3,940,459
Employers National Insurance	289,905	285,625
Employers pension costs	682,938	667,369
<b>Total</b>	<b>4,988,673</b>	<b>4,893,453</b>

In addition, agency costs during the year amounted to £364,759 (2013/14 - £268,689) and secondment costs amounted to £36,050 (2013/14 - £Nil).

The 2013/14 restated figures originally included costs of £45,809, which were fully recouped from a Government Department, for an employee who was seconded out during 2013/14. These costs have been excluded from the 2013/14 comparable figures in this note but have no effect on any other figure in the Accounts.

The Council paid employer contributions of £682,938 into the Northern Ireland Local Government Officers' Superannuation Committee Scheme towards employees' pensions during the year. The rate for employer's contributions to the scheme during 2014/15 was set at 20% (2013/14 - 20%). In addition it also paid £3,048 during the year to NILGOSC in respect of employees who had returned from a career break or unpaid leave and a further £25,882 for employees whose employment costs totalling £166,205 whilst not recognised in the above note are fully recouped from a Government Department and other Councils.

At the last actuarial valuation, dated 31 March 2013, the Fund's assets as a whole were sufficient to meet 91% (2010: 82%) of the liabilities accrued up to that date.

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

	2014/15	2013/14
	FTE	FTE
Environmental services	78	76
Leisure services	57	61
Other	18	17
<b>Total Number</b>	<b>153</b>	<b>154</b>

	2014/15	2013/14
	Actual Numbers	Actual Numbers
Full-time numbers employed	127	125
Part-time numbers employed	44	60
<b>Total Number</b>	<b>171</b>	<b>185</b>

#### 6c Senior Employees' Remuneration

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

#### 6d Members' Allowances

During the year Members' allowances (paid under Part 3, Sections 31 to 36 of the Local Government Finance Act (NI) 2011), including Employer's costs, totalled £194,675 (2013/14 - £229,820) and are as follows:

	2014/15	2013/14
	£	£
Salaries	0	0
Basic allowance	106,878	136,232
Mayor's & Deputy Mayor's Allowance	11,666	10,000
Special Responsibility Allowances	18,345	20,000
Dependents' carers allowance	0	0
Statutory Transition Committee Allowances	2,965	9,000
Employer costs	15,326	20,611
Mileage	11,616	14,548
Conferences and Courses	1,262	1,296
Travel & Subsistence Costs	351	759
Miscellaneous Costs	1,066	774
Severance Payments *	25,200	16,600
<b>Total</b>	<b>194,675</b>	<b>229,820</b>

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

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5e Exit Packages

During the year the Council agreed no exit packages.

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

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7 Other Operating Expenditure

	2014/15 £	2013/14 £
Surplus/Deficit on Non-Current Assets	21,899	0
Other Operating Income/Expenditure	0	0
<b>Total Other Operating expenditure</b>	<b>21,899</b>	<b>0</b>

8 Financing and Investment Income and Expenditure

	2014/15			2013/14		
	Gross Expenditure	Gross Income	Net Cost	Gross Expenditure	Gross Income	Net Cost
	£	£	£	£	£	£
Interest Payable and Similar Charges	721,084	0	721,084	717,390	0	717,390
Interest and Investment Income	0	19,225	(19,225)	0	22,527	(22,527)
Pensions interest cost	185,000	0	185,000	236,000	0	236,000
Surplus/(Deficit) on trading operations	0	0	0	0	0	0
Changes in Fair Value of Investment Properties	0	0	0	0	0	0
Other investment income	0	0	0	0	0	0
	<b>906,084</b>	<b>19,225</b>	<b>886,859</b>	<b>953,390</b>	<b>22,527</b>	<b>930,863</b>

LIMAVADY BOROUGH COUNCIL  
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9 Taxation and Non-Specific Grant Income

	2014/15 £	2013/14 £
District Rates Income	8,500,566	8,185,367
Revenue Grants	1,522,394	1,520,800
Capital Grants and Contributions	435,854	20,978
<b>Total Taxation and Non-Specific Grant Income</b>	<b>10,458,814</b>	<b>9,727,145</b>

10 Statutory Provision for the financing of Capital Investment

The statutory provision for the financing of capital investment, £574,050 (2013/14 - £592,327), was after the exclusion of repayments for those loans taken out to fund the capital grants payable to local community / voluntary bodies. This is because the grants had been written off directly to the General Fund in a previous year. For the year 2014/15, the amount excluded was £10,858 (2013/14 - £10,298) and as at 31 March 2015, the cumulative effect of this exclusion was £114,064 (2013/14 - £103,206).

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11a Long-Term Assets Note - Current Year

	Property, Plant & Equipment (PP&E)										TOTAL	
	Land	Buildings	Infrastructure Assets	Landfill Site	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Investment Properties		Intangible Assets
	£	£	£	£	£	£	£	£	£	£	£	£
Cost or Valuation												
At 1 April 2014	4,229,399	19,650,694	0	0	3,345,397	13,211	337,979	0	27,576,680	0	43,268	27,619,948
Additions (Note 12)	0	20,836	0	0	201,529	0	1,327,546	0	1,549,911	0	0	1,549,911
Revaluation increases/decreases to												
Revaluation Reserve	0	1,495,038	0	0	0	0	0	0	1,495,038	0	0	1,495,038
Derecognition - Disposals	0	(25,446)	0	0	(13,041)	0	0	0	(38,487)	0	0	(38,487)
Reclassifications & Transfers	0	784,117	0	0	39,655	0	(823,772)	0	0	0	0	0
At 31 March 2015	4,229,399	21,925,239	0	0	3,573,540	13,211	841,753	0	30,583,142	0	43,268	30,626,410
Depreciation and Impairment												
At 1 April 2014	0	35,443	0	0	2,268,033	0	0	0	2,303,476	0	12,624	2,316,100
Depreciation Charge	0	709,004	0	0	220,790	0	0	0	929,794	0	8,654	938,448
Depreciation written out on Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Revaluation Reserve	0	283,095	0	0	0	0	0	0	283,095	0	0	283,095
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	0	(318,538)	0	0	9,538	0	0	0	(309,000)	0	0	(309,000)
Derecognition - Disposals	0	(1,414)	0	0	(13,041)	0	0	0	(14,455)	0	0	(14,455)
At 31 March 2015	0	707,590	0	0	2,485,320	0	0	0	3,192,910	0	21,278	3,214,188
Net Book Value												
At 31 March 2015	4,229,399	21,217,649	0	0	1,088,220	13,211	841,753	0	27,390,232	0	21,990	27,412,222
At 31 March 2014	4,229,399	19,615,251	0	0	1,077,364	13,211	337,979	0	25,273,204	0	30,644	25,303,848

\* Leased assets are included in Vehicles, Plant & Equipment. See Note 11c.

Valuations

Land & Property Services (LPS), an Executive Agency within the Department of Finance and Personnel, provided asset indices at 31 March 2015 which were applied to freehold and leasehold properties which LPS had previously formally valued as at 31 March 2014. That valuation was in accordance with the RICS Valuation - Professional Standards, 8th Edition, as published by the Royal Institution of Chartered Surveyors. The Council's policy is for all of its property assets to be formally valued every five years. Please refer to Note 1a(xix) for further information on revaluation and depreciation policies.

The valuation gave rise to a revaluation surplus of £1,211,943 (Increase in Cost or Valuation - £1,495,038 and Reversal of Impairment - £283,095) and impairment reversals of £318,538, the largest of which were Roe Valley Arts and Cultural Centre, £227,818, and Dungiven Household Recycling Centre, £48,072.

LIMAVADY BOROUGH COUNCIL  
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11b Long-Term Assets Note - Comparative Year

	Property, Plant & Equipment (PP&E)											TOTAL
	Land	Buildings	Infrastructure Assets	Landfill Site	Vehicles, Plant & Equipment *	Community Assets	PP&E Under Construction	Surplus Assets	Total PP&E	Investment Properties	Intangible Assets	
	£	£	£	£	£	£	£	£	£	£	£	£
Cost or Valuation At 1 April 2013	4,607,189	18,688,655	0	0	3,072,634	13,211	239,177	0	26,621,066	0	43,268	26,664,334
Additions (Note 12)	0	9,062	0	0	211,818	0	443,720	0	664,600	0	0	664,600
Revaluation increases/decreases to Revaluation Reserve	(377,790)	668,804	0	0	0	0	0	0	291,014	0	0	291,014
Derecognition - Disposals	0	0	0	0	0	0	0	0	0	0	0	0
Reclassifications & Transfers	0	284,173	0	0	60,745	0	(344,918)	0	0	0	0	0
At 31 March 2014	4,229,399	19,650,694	0	0	3,345,397	13,211	337,979	0	27,576,680	0	43,268	27,619,948
Depreciation and Impairment At 1 April 2013	291,068	893,963	0	0	2,066,243	0	0	0	3,251,274	0	3,970	3,255,244
Depreciation Charge	0	632,483	0	0	201,790	0	0	0	834,273	0	8,654	842,927
Depreciation written out on Revaluation Reserve	(291,068)	(1,526,446)	0	0	0	0	0	0	(1,817,514)	0	0	(1,817,514)
Impairment losses/reversals to Revaluation Reserve	(922,011)	(379,567)	0	0	0	0	0	0	(1,301,578)	0	0	(1,301,578)
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	922,011	415,010	0	0	0	0	0	0	1,337,021	0	0	1,337,021
Derecognition - Disposals At 31 March 2014	0	35,443	0	0	2,268,033	0	0	0	2,303,476	0	12,624	2,316,100
Net Book Value At 31 March 2014	4,229,399	19,615,251	0	0	1,077,364	13,211	337,979	0	25,273,204	0	30,644	25,303,848
At 31 March 2013	4,316,121	17,794,692	0	0	1,006,591	13,211	239,177	0	23,369,792	0	39,298	23,409,090

\* Leased assets are included in Vehicles, Plant & Equipment. See Note 11c.

Valuations

The freehold and leasehold properties were valued as at 1 April 2013 and 31 March 2014 by Land & Property Services (LPS), an Executive Agency within the Department of Finance and Personnel, in accordance with the RICS Valuation - Professional Standards, 8th Edition, as published by the Royal Institution of Chartered Surveyors. The Council's policy is for all of its property assets to be formally valued every five years. However LPS provides asset indices to value property assets at the intervening financial year ends. Refer to Note 1a(xix) for further information on revaluation and depreciation policies.

The valuation gave rise to a revaluation surplus of £3,410,106 (increase in Cost or Valuation - £291,014 ; Reduction in Depreciation - £1,817,514 and Reduction in Impairment - £1,301,578) and impairment losses of £1,337,021, the largest of which were Roe Valley Arts and Cultural Centre, £829,575, Roe Valley Leisure Centre, £391,900 and Benone Tourist Complex, £204,110.



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11c Long-Term Assets - Leased Assets  
At 31 March 2015

<u>LEASED ASSETS (included within vehicles, plant and equipment)</u>	Vehicles £	Equipment £	TOTAL £
<b>Cost or Valuation</b>			
At 1 April 2014	0	102,356	102,356
Additions	0	0	0
Disposals	0	0	0
At 31 March 2015	0	102,356	102,356
<b>Depreciation</b>			
At 1 April 2014	0	76,304	76,304
Disposals	0	0	0
Provided for year	0	20,471	20,471
At 31 March 2015	0	96,775	96,775
<b>Net Book Value</b>			
At 31 March 2015	0	5,581	5,581
At 31 March 2014	0	26,052	26,052

Comparative Year

<u>LEASED ASSETS (included within vehicles, plant and equipment)</u>	Vehicles £	Equipment £	TOTAL £
<b>Cost or Valuation</b>			
At 1 April 2013	0	102,356	102,356
Additions	0	0	0
Disposals	0	0	0
At 31 March 2014	0	102,356	102,356
<b>Depreciation</b>			
At 1 April 2013	0	55,833	55,833
Disposals	0	0	0
Provided for year	0	20,471	20,471
At 31 March 2014	0	76,304	76,304
<b>Net Book Value</b>			
At 31 March 2014	0	26,052	26,052
At 31 March 2013	0	46,523	46,523

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**Heritage Assets**

11d

Cost or Valuation	Statues £	Art Collection £	Total Assets £
At 1 April 2013	180,000	55,020	235,020
Additions	0	0	0
Disposals	0	0	0
<b>At 31 March 2014</b>	<b>180,000</b>	<b>55,020</b>	<b>235,020</b>
Cost or Valuation			
At 1 April 2014	180,000	55,020	235,020
Additions	0	0	0
Disposals	0	0	0
<b>At 31 March 2015</b>	<b>180,000</b>	<b>55,020</b>	<b>235,020</b>

**Statues**

There are two statues in the Council's collection which are in honour of local people. These items are reported in the Balance Sheet at insurance valuation. These insurance valuations are updated on a five year basis. The Massey Statue is in honour of William Ferguson Massey who was the Prime Minister of New Zealand (1912-1925). The Jane Ross Statue is in honour of Jane Ross who recorded the notes of the famous melody "The Londonderry Air".

**Art Collection**

There are three paintings reported in the Balance Sheet at insurance valuation. These insurance valuations are updated on a five year basis. The portrait of W Wilson is in honour of a local man who was an attorney and Town Councillor in the 19th century. The portrait of SM Alexander is in honour of a local man who was a Town Councillor and who the former Town Hall was named after. The portrait of P Romilly is in honour of the former surgeon at Roe Valley Hospital.

**Additions/Disposals**

There were no additions or disposal in 2014/15

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12 Capital Expenditure and Capital Financing

	Notes	2014/15	2013/14
		£	£
<b>Opening Capital Financing Requirement</b>		<b>14,413,823</b>	<b>14,576,625</b>
<i>Capital Investment</i>			
Property, Plant and Equipment	11a/11b	1,549,911	664,600
Investment Properties		0	0
Intangible Assets		0	0
Revenue Expenditure Funded from Capital under Statute	3a/26	39,484	0
<i>Sources of Finance</i>			
Capital Receipts	3a/26	(2,133)	0
Government Grants and Other Contributions	3a/9/26	(435,854)	(20,978)
Transfers from Earmarked Reserves		0	0
<i>Sums set aside from Revenue:</i>			
Direct Revenue Financing	3a/26	(276,844)	(214,097)
Minimum Revenue Provision	3a/26	(574,050)	(592,327)
<b>Closing Capital Financing Requirement</b>		<b>14,714,337</b>	<b>14,413,823</b>

Explanation of Movements in Year			
Increase in underlying need to borrow		300,514	(162,802)
Assets acquired under finance leases		0	0
Assets acquired under PFI/PPP contracts		0	0
<b>Increase/(decrease) in Capital Financing Requirement</b>		<b>300,514</b>	<b>(162,802)</b>

**LIMAVADY BOROUGH COUNCIL**  
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**13 Future Capital Commitments**

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

	Gross Cost £	Grant Aid £	Net Cost £
Schemes underway	3,632,079	2,723,800	908,279
Other Commitments	0	0	0
<b>Total</b>	<b>3,632,079</b>	<b>2,723,800</b>	<b>908,279</b>

**14 Inventories**

	2014/15	2013/14
	£	£
Central Stores	20,700	40,745
Other	0	0
<b>Total</b>	<b>20,700</b>	<b>40,745</b>

The cost of inventories recognised as expense and included in 'services' amounted to £256,500 (2013/14 - £279,526)

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15 Debtors

	2014/15	2013/14
	£	£
<b>15a Long Term Debtors</b>		
Government Departments	0	0
Other Councils	0	0
Public corporations and trading funds	0	0
Bodies external to general government	0	0
Employee car loans	0	0
Grants	0	0
Loans and advances	0	0
Finance lease debtors-Note 5a	0	0
Trade debtors	0	0
NIHE Loans	0	0
Other	6,041	7,461
Impairment of loans and receivables	0	0
<b>Total Long-Term Debtors</b>	<b>6,041</b>	<b>7,461</b>
<b>15b Short Term Debtors</b>		
Government Departments	975,017	843,481
Other Councils	250,540	46,032
Public corporations and trading funds	0	0
Bodies external to general government	0	0
Employee car loans	0	0
Grants	429,098	535,964
Value Added Tax	177,612	79,347
Payments in advance	27,519	122,976
Prepayments	0	0
Finance lease debtors-Note 5a	0	0
Other	65,781	126,553
Trade receivables	0	0
Impairment loss - Trade receivables	0	0
<b>Total Short-Term Debtors</b>	<b>1,925,567</b>	<b>1,754,353</b>
<b>Total Debtors</b>	<b>1,931,608</b>	<b>1,761,814</b>

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16 Short-Term Investments

	2014/15	2013/14
	£	£
Investments - general	0	2,431,515
Investments - repairs and renewals	0	0
Investments - capital fund	0	0
Investments - other	0	0
<b>Total Short-term Investments</b>	<b>0</b>	<b>2,431,515</b>

Analysed over:

	2014/15	2013/14
	£	£
Money market deposits	0	2,431,515
Other deposits	0	0
<b>Total Short-term Investments</b>	<b>0</b>	<b>2,431,515</b>

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17a Short Term Borrowing

	2014/15	2013/14
	£	£
Loans re-payable within one year	506,408	465,383
Finance Lease Principal	0	12,035
<b>Total Short Term Borrowing</b>	<b>506,408</b>	<b>477,418</b>

17b Long Term Borrowing

Analysis by Maturity

	2014/15	2013/14
	£	£
Between 1 and 2 years	4,111	14,071
Between 2 and 5 years	84,171	108,093
Between 5 and 10 years	1,114,186	753,109
In more than 10 years	13,311,771	11,814,123
Government Loans Fund	14,514,239	12,689,396

<b>Total Borrowing</b>	<b>15,020,647</b>	<b>13,166,814</b>
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Interest rates on Government Loans range between 1.81% and 16.25%. The average interest rate is 5.03%.

Maturity is defined as the year in which the final payment of the individual loan is made.

18a Short Term Creditors

	2014/15	2013/14
	£	£
Government Departments	374,137	492,458
Other Councils	67,809	73,094
Public corporations and trading funds	0	0
Bodies external to general government	0	0
Rates clawback	0	0
Remuneration due to employees	0	13,831
Accumulated Absences	86,382	88,856
Receipts in advance	119,308	144,637
Trade creditors	0	0
Other	368,944	350,621
<b>Total Short Term Creditors</b>	<b>1,016,580</b>	<b>1,163,497</b>

18b Long Term Creditors

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

<b>Total Creditors</b>	<b>1,016,580</b>	<b>1,163,497</b>
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19 Provisions

	At 1 April 2014	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	At 31 March 2015
	£	£	£	£	£	£
Landfill closure	4,396,765	169,933	0	0	0	4,566,698
Landfill aftercare	2,367,952	43,752	0	0	0	2,411,704
	6,764,717	213,685	0	0	0	6,978,402

Current Provisions	0	0	0	0	0	0
Long Term Provisions	6,764,717	213,685	0	0	0	6,978,402
	6,764,717	213,685	0	0	0	6,978,402

Comparative Year

	At 1 April 2013	Increase in provision during year	Utilised during year	Unused amounts reversed	Interest cost and/or discount rate changes	At 31 March 2014
	£	£	£	£	£	£
Landfill closure	4,151,993	244,772	0	0	0	4,396,765
Landfill aftercare	2,251,909	116,043	0	0	0	2,367,952
Grammar School 3G Pitch	15,000	(15,000)	0	0	0	0
	6,418,902	345,815	0	0	0	6,764,717

Current Provisions	0	0	0	0	0	0
Long Term Provisions	6,418,902	345,815	0	0	0	6,764,717
	6,418,902	345,815	0	0	0	6,764,717

Provisions-Additional Disclosure

Landfill closure

RPS Consulting Engineers informed the Council in January 2015 that the estimated costs for the necessary engineering work to close the landfill site would be £4,173,227. As a result of discounting at HM Treasury rates the provision has increased by £169,933 to £4,301,298. Rent is also included in the total provision above.

Landfill aftercare

RPS Consulting Engineers informed the Council in January 2015 that the estimated costs for the landfill site's aftercare costs would be £83,911 per annum. Taking this annual cost over 30 years and discounting at HM Treasury rates, the total cost would be £2,411,704.

Grammar School 3G Pitch

The Council intends to make a contribution to the replacement of Limavady Grammar School's 3G Pitch in the financial year 2016/17. However, as at 31 March 2015, no contract had been signed with the School in regard to this contribution and, therefore, no provision is required.



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**20 Financial Instruments**

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

**Credit Risk**

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

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

	£
Less than three months	£80,926
Three to six months	£333
Six months to one year	£505
More than one year	£0
	<b>£81,764</b>

In Note 15b this amount is allocated to Government Departments, Other Councils and Other.

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

**Liquidity Risk**

As the Council has ready access to borrowings from the Department of Finance and Personnel's Consolidated Fund, there is no significant risk that it will be unable to raise finance to meet its commitments under Financial Instruments. The maturity analysis of financial liabilities is included in notes 5, 17, 18 and 19. 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 £20,639,784, analysed as follows.

	£
Government Loans	20,639,784
Market Loans	0
<b>Total</b>	<b>20,639,784</b>

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21 Retirement Benefits

21a 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.

21b Transactions relating to retirement benefits - Comprehensive Income and Expenditure Statement Charges:

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

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

	Note	2014/15	2013/14
		£	£
<b>Net cost of services:</b>			
Current service cost	21c	854,000	851,000
Past service cost/(gain)		0	0
Gains and losses on settlements or curtailments		0	0
<b>Net operating expenditure:</b>			
Net Interest on net defined benefit Liability (asset)	21c	185,000	236,000
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>		<b>1,039,000</b>	<b>1,087,000</b>
<b>Movement in Reserves Statement:</b>			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(1,039,000)	(1,087,000)
<b>Actual amount charged against the general fund balance for pensions in the year:</b>			
Employers' contributions payable to scheme	21c	717,000	802,323
<b>Net charge to the Comprehensive Income and Expenditure Statement</b>		<b>(322,000)</b>	<b>(284,677)</b>

The service cost figures include an allowance for administration expenses of £11,000.

### Remeasurements recognised in Other Comprehensive Income and Expenditure

	Note	2014/15	2013/14
Liability gains/(losses) due to change in assumptions	21c	(2,882,000)	1,201,000
Liability experience gains/(losses) arising in the year	21c	119,000	(892,000)
Actuarial gains/(losses) on plan assets	21c	1,897,000	915,000
Other - (if applicable)		0	0
<b>Total gains/(losses) recognised in Other Comprehensive Income and Expenditure</b>		<b>(866,000)</b>	<b>1,224,000</b>

### 21c Assets and liabilities in relation to retirement benefits

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

	Note	2014/15	2013/14
		£	£
<b>Balance as at 1 April</b>		<b>26,112,000</b>	<b>24,953,225</b>
Current service cost	21b	854,000	851,000
Interest cost	21b	1,112,000	1,136,000
Contributions by members		224,000	223,775
<b>Remeasurement (gains) and losses:</b>			
- Actuarial gains/losses arising on liabilities from experience	21b	(119,000)	892,000
- Actuarial gains/losses arising from demographic changes	21b	0	(1,054,000)
- Actuarial gains/losses arising from changes in financial assumptions	21b	2,882,000	(147,000)
- Other (if applicable)			
Past service costs/(gains)		0	0
Losses/(gains) on curtailments		0	0
Liabilities extinguished on settlements		0	0
Estimated unfunded benefits paid		(7,000)	(7,000)
Estimated benefits paid		(756,000)	(736,000)
<b>Balance as at 31 March</b>		<b>30,302,000</b>	<b>26,112,000</b>

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

	Note	2014/15	2013/14
		£	£
<b>Balance as at 1 April</b>		<b>21,464,000</b>	<b>19,365,902</b>
Interest Income	21b	927,000	900,000
Contributions by members		224,000	223,775
Contributions by employer	21b	710,000	795,323
Contributions in respect of unfunded benefits	21b	7,000	7,000
Remeasurement gain/(loss)	21b	1,897,000	915,000
Assets distributed on settlements		0	0
Unfunded benefits paid		(7,000)	(7,000)
Benefits paid		(756,000)	(736,000)
<b>Balance as at 31 March</b>		<b>24,466,000</b>	<b>21,464,000</b>

The actual return on scheme assets in the year was a gain of £2,824,000 (2013/14 - gain of £1,815,000)

## Fair Value of Plan Assets

	31/03/2015	31/03/2014	31/03/2013
	£	£	£
Equity investments	17,860,180	15,926,288	14,640,622
Bonds	2,984,852	2,575,680	2,207,713
Property	3,082,716	2,403,968	1,491,174
Cash	538,252	558,064	1,026,393
	<b>24,466,000</b>	<b>21,464,000</b>	<b>19,365,902</b>

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

For details on the estimates made when assessing the fair value of plan assets, see the Post Employment Benefits accounting policy on page 33.

The amounts included in the fair value of plan assets for property occupied by the Council was £Nil (2013/14 - £Nil).

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

	31/03/2015	31/03/2014	31/03/2013
	£	£	£
Fair Value of Employer Assets	24,466,000	21,464,000	19,365,902
Present value of funded defined benefit obligation	(30,188,000)	(26,001,000)	(24,828,225)
Pension asset/(liability) of Funded Scheme	(5,722,000)	(4,537,000)	(5,462,323)
Present Value of unfunded defined benefit obligation	(114,000)	(111,000)	(125,000)
Other movement in the liability (asset) (if applicable)	0	0	0
<b>Net asset/(liability) arising from the defined benefit obligation</b>	<b>(5,836,000)</b>	<b>(4,648,000)</b>	<b>(5,587,323)</b>
<i>Amount in the Balance sheet:</i>			
Liabilities	(5,836,000)	(4,648,000)	(5,587,323)
Assets	0	0	0
<b>Net Asset/(Liability)</b>	<b>(5,836,000)</b>	<b>(4,648,000)</b>	<b>(5,587,323)</b>

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £5,836,000 has a substantial impact on the net worth of the Council as recorded in the Balance Sheet. However, as at 31 March 2015, the Council has a positive net worth of £5,183,679.

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

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

	31/03/2016	31/03/2016
	£	%
Projected current cost	905,000	24.8%
Net Interest on the net defined benefit liability (asset)	175,000	4.8%
Past service cost	0	0.0%
Gains and losses on settlements or curtailments	0	0.0%
	<b>1,080,000</b>	<b>29.6%</b>

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the council in the year to 31 March 2016 is £737,000.

## History of experience gains and losses

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

	31/03/2015	31/03/2014	31/03/2013
	%	%	%
Experience gains and (losses) on Assets	7.8%	4.3%	10.7%
Experience gains and (losses) on Liabilities	(9.1%)	1.2%	(8.5%)

## 21d Basis for estimating assets and liabilities

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

	2014/15	2013/14
<b>Mortality assumptions:</b>		
<i>Longevity at 65 current pensioners:</i>		
Men	22.2 years	22.1 years
Women	24.7 years	24.6 years
<i>Longevity at 65 for future pensioners:</i>		
Men	24.4 years	24.3 years
Women	27.0 years	26.9 years
Inflation/Pension Increase Rate	1.80%	2.40%
Salary Increase Rate	3.30%	3.90%
Discount Rate	3.20%	4.30%
<b>Take-up of option to convert annual pension into retirement lump sum:</b>		
Service to April 2009	75%	75%
Service post April 2009	75%	75%

## 21e Pension Assumptions Sensitivity Analysis

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

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

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

## Funded Pension Scheme Benefits

<b>Discount Rate Assumption</b>		
	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Adjustment to discount rate		
Present value of the total obligation	£29,626,000	£30,760,000
% change in the present value of the total obligation	(1.9%)	1.9%
Projected service cost	£876,000	£935,000
Approximate % change in projected service cost	(3.2%)	3.3%
<b>Rate of General Increase in Salaries</b>		
	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Adjustment to salary increase rate		
Present value of the total obligation	£30,402,000	£29,977,000
% change in the present value of the total obligation	0.7%	(0.7%)
Projected service cost	£905,000	£905,000
Approximate % change in projected service cost	0.0%	0.0%
<b>Rate of Increase to Pensions in Payment and Deferred Pension Assumption</b>		
	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Adjustment to pension increase rate		
Present value of the total obligation	£30,592,000	£29,790,000
% change in the present value of the total obligation	1.3%	(1.3%)
Projected service cost	£935,000	£876,000
Approximate % change in projected service cost	3.3%	(3.2%)
<b>Post Retirement Mortality Assumption</b>		
	<b>-1 Year</b>	<b>+1 Year</b>
Adjustment to the mortality age rating assumption *		
Present value of the total obligation	£31,002,000	£29,374,000
% change in the present value of the total obligation	2.7%	(2.7%)
Projected service cost	£936,000	£874,000
Approximate % change in projected service cost	3.4%	(3.4%)

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

### 21f Major categories of plan assets as percentage of total plan assets

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

	<b>31/03/2015</b>	<b>31/03/2014</b>	<b>31/03/2013</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Equity investments	73	74	76
Bonds	12	12	11
Property	13	11	8
Cash	2	3	5
	<b>100</b>	<b>100</b>	<b>100</b>

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22 Capital Grants Received in Advance

	Note	2014/15	2013/14
		£	£
Opening balance		669,852	153,189
Add: new capital grants received in advance (condition of use not met)		(69,898)	520,862
Less: amounts released to the Comprehensive Income and Expenditure Statement		(376,154)	(4,199)
		<b>223,800</b>	<b>669,852</b>

**Analysis of Capital Grants Receipts in Advance Balance**

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

	Note	2014/15	2013/14
		£	£
<b>Capital Grants Receipts in Advance</b>			
Lough Foyle Wildlife Project		0	126,974
Benone Activity Centre		223,800	401,333
Benone Tourist Complex		0	141,545
		<b>223,800</b>	<b>669,852</b>

23 Payment of Invoices

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

The Council has a target of paying invoices within 10 days.

N.B. The 30 day target is 30 calendar days and the 10 day target is 10 working days.

During the 2014/15 financial year the Council paid 7,049 invoices totalling £8,884,538 (2013/14 - 7,401 invoices totalling £6,804,325).

The Council paid 6,195 invoices (87.9%) within the 30 day target.

The Council paid 3,122 invoices (44.3%) within the 10 day target.

The Council paid 854 invoices (12.1%) outside of the 30 day target.



## 24 Contingencies

### Landfill Closure and Aftercare

Council's former landfill site closed in November 2003. A closure and aftercare plan was submitted to the Northern Ireland Environment Agency (NIEA) in February 2009. In October 2011, Council received approval for the plan from NIEA. RPS Consulting Engineers produced a Revised Costs Report in January 2015 and, based on that report, provision has been made by Council for closure and aftercare of the former landfill site (see Note 19). However, until the necessary engineering work to close the landfill site begins, there is uncertainty as to the final closure and aftercare costs and as a consequence, the current landfill closure and aftercare provision may change.

In April 2012, under the Landfill Regulations (NI) 2003 (as amended by the Landfill (Amendment) Regulations (NI) 2011) the Northern Ireland Environment Agency (NIEA) served a Compliance Notice on Council regarding the restoration and remediation of the landfill site in accordance with the Closure Plan agreed between NIEA and Council in 2011. NIEA are aware that Council cannot progress with the Closure Plan as it does not currently own the land on which the landfill site is situated.

After unsuccessful negotiations with the landowners Council agreed, in June 2012, to make application to the Department of the Environment to vest the necessary land at Drumaduff. A vesting application was formally submitted to the Department of the Environment (DoE) in October 2013. A total of eleven objections to the vesting application have been lodged with the DoE. These are currently being considered by Council and the DoE.

### Limavady Grammar School 3G Pitch

The Council intends to make a contribution to the replacement of Limavady Grammar School's 3G Pitch in the financial year 2016/17. The estimated contribution is expected to be £75,000 approximately. However, as at 31 March 2015, no contract had been signed with the School in regard to this contribution and, therefore, no provision is required.

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25a Analysis of Adjustments to Surplus/Deficit on  
the Provision of Services

	Notes	2014/15 £	2013/14 £
<b>Adjustment to surplus or deficit on the provision of services for noncash movements</b>			
Depreciation	3a/11	938,448	842,927
Impairment & downward revaluations (& non-sale derecognitions)	3a/11	(309,000)	1,337,021
(Increase)/Decrease in Stock		20,045	(8,894)
(Increase)/Decrease in Debtors		(375,598)	(154,249)
(Increase)/Decrease in Interest Debtors		4,925	(5,254)
Increase/(Decrease) in Creditors		(202,296)	(116,371)
Increase/(Decrease) in Interest Creditors		5,101	3,247
Payments to NILGOSC	21b	322,000	284,677
Carrying amount of non-current assets sold	3a/11	24,032	0
Contributions to Other Reserves/Provisions	19	213,685	345,815
		<u>641,342</u>	<u>2,528,919</u>
<b>Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities</b>			
Proceeds from the sale of PP&E, investment property and intangible assets	3a/11	(2,133)	0
Capital grants included in "Taxation & non-specific grant income"	9	(435,854)	(20,978)
		<u>(437,987)</u>	<u>(20,978)</u>

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**25b Cash and Cash Equivalents**

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

	31/03/2015 £	31/03/2014 £
Cash and Bank balances	1,110,118	156,007
Short Term Deposits	4,758,392	1,753,600
Bank Overdraft	(1,208,952)	(583,196)
	<u>4,659,558</u>	<u>1,326,411</u>

**25c Cash Flow Statement-Operating Activities**

	2014/15 £	2013/14 £
<i>The cash flows from operating activities include:</i>		
Interest received	<u>24,150</u>	<u>17,273</u>
Interest paid	<u>715,983</u>	<u>714,143</u>

**25d Cash flows from Investing Activities**

	2014/15 £	2013/14 £
Purchase of PP&E, investment property and intangible assets	(1,499,633)	(690,452)
Purchase of Short Term Investments (not considered to be cash equivalents)	0	(9,648)
Proceeds from the sale of PP&E, investment property and intangible assets	2,133	0
Proceeds from Short Term Investments (not considered to be cash equivalents)	2,431,515	0
Capital Grants and Contributions Received	190,681	34,465
<b>Net Cash flows from Investing Activities</b>	<u>1,124,696</u>	<u>(665,635)</u>

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	2014/15 £	2013/14 £
<b>25e Cash flows from Financing Activities</b>		
Cash Receipts from Short and Long Term Borrowing	2,331,250	1,266,530
Other Receipts from Financing Activities	124,214	115,155
Cash payments for the reduction of the outstanding liability relating to a finance lease and on-Balance Sheet PFI contracts	(12,035)	(24,525)
Repayment of Short and Long Term Borrowing	(465,382)	(394,026)
Other payments for Financing Activities	(124,214)	(115,155)
<b>Net Cash flows from Financing Activities</b>	<u><u>1,853,833</u></u>	<u><u>847,979</u></u>

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26a Analysis of Movement on Reserves - Current Year

	USABLE RESERVES					UNUSABLE RESERVES										TOTAL AUTHORITY RESERVES
	Capital Receipts Reserve	Capital Grants Unapplied Account	Capital Reserve & Repairs Fund	Other Balances and Reserves (Election Reserve)	General Fund	TOTAL USABLE RESERVES	Capital Adjustment Account	Financial Instruments Adjustment Account	Revaluation Reserve	Reserve Sale Instruments Reserve	Pensions Reserve	Deferred Capital Receipts Account	Accumulated Absences Account	Provisions Discount Reserve	Loans Repayments Reserve	
At 1 April 2014	0	0	0	0	1,203,609	1,203,609	0,281,550	0	4,883,495	0	(4,648,000)	0	(88,856)	0	(2,905,325)	4,846,473
Movements during the year																
Applied Capital Grants					(435,854)	(435,854)	435,854									435,854
Direct Revenue Expenditure					(276,844)	(276,844)	276,844									276,844
Depreciation & Impairment adjustment					629,448	629,448	(629,448)									(629,448)
Statutory Provision for Impairing Capital Investment					(574,050)	(574,050)	574,050									574,050
Net Revenue expenditure funded from capital under section 100					39,484	39,484	(39,484)									(39,484)
Surplus/Deficit on the Provision of Services					151,283	151,283										151,283
Transfers between Statutory and Other Reserves and the General Fund					0	0	0									0
Net movements on Pension Reserve					322,000	322,000				(322,000)						322,000
Disposal of Fixed Assets and Sale	2,133				21,899	24,032	(24,032)									(24,032)
Capital Receipts used to finance capital expenditure	(2,133)						2,133									2,133
Differences between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	0				(2,474)	(2,474)	0					2,474				2,474
Revaluation & Impairment					213,645	213,645	187,041	1,211,943	0	(864,000)	0	0				345,943
Other Movements																0
Total movements on reserves during the year (Change in Net Worth)	0	0	0	0	88,557	88,557	782,858	1,021,902	0	11,164,000	0	2,474			(213,645)	406,648
At 31 March 2015	0	0	0	0	1,292,166	1,292,166	7,044,508	5,866,397	0	15,936,000	0	(88,382)			(3,119,010)	5,163,479

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26b Analysis of Movement on Reserves - Comparative Year

	USABLE RESERVES				UNUSABLE RESERVES										TOTAL AUTHORITY RESERVES		
	Capital Reserves	Capital Grants Reserve	Capital Fund Reserve	Other Reserves	Capital Reserves	Capital Grants Reserve	Capital Fund Reserve	Other Reserves	Financial Reserve	Available for Use	Pensions Reserve	Deferred Capital Receipts Account	Accumulated Abeyance Account	Provisional Discount Reserve		Long-Term Reserve	TOTAL UNUSABLE RESERVES
At 1 April 2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,457,440
Movements during the year:																	
Agreed Capital Grants	27a	27b	27c	27d	27e	27f	27g	27h	27i	27j	27k	27l	27m	27n	27o	27p	20,978
Direct Revenue Financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	214,697
Depreciation & Impairment Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(2,175,944)
Stability Provision for Housing Capital Investment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	192,327
Net Revenue expenditure funded from capital under statute	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Surplus/(Deficit) on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers between Stability and Other Reserves and the Capital Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(1,465,323)
Net movements on Pension Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Decrease of Fixed Assets/Capital Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Receipts used to finance capital expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Difference between finance and other costs and income (calculated on an accounting basis) and finance costs (calculated in accordance with statutory requirements)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation & Impairment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Movements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total movements on reserves during the year (Change in Net Assets)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,457,440

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FOR THE YEAR ENDED 31 MARCH 2015**

**Usable Reserves**

**27a 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).

**27b Capital Grants Unapplied account**

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

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

### **27c Capital Fund**

Formerly, under section 56 of the Local Government Act (NI) 1972 a council was able to establish a capital fund to be used either for defraying any expenditure of the council to which capital is properly applicable, or for providing money for repayment of loans (but not in making annual payment required to be made in respect of loans). This has been continued under section 9 of the Local Government Finance Act (Northern Ireland) 2011.

### **27d Renewal and Repairs Fund**

Formerly, under section 56 of the Local Government Act (NI) 1972 a council was able to establish a renewal and repairs fund to be used for the purpose of defraying expenditure to be incurred in repairing, maintaining, replacing and renewing any buildings, works, plant, equipment or articles belonging to the council. This has been continued under section 9 of the Local Government Finance Act (Northern Ireland) 2011.

### **27e Other Balances & Reserves (Election Reserve)**

This reserve is used to equalise (smooth) the cost of elections by building up a fund to cover the costs of future elections by making contributions, as and when required, to the reserve.

### **27f 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.



**LIMAVADY BOROUGH COUNCIL**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**Unusable Reserves**

**27g 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.

**27h Financial Instruments Adjustment Account**

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

**27i Revaluation Reserve**

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

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

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

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

#### **27j Available-for-Sale Financial Instruments Adjustment Reserve**

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

#### **27k Pensions Reserve**

Refer to note 21.

#### **27l Deferred Capital Receipts Account**

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

#### **27m 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

#### **27n Provisions Discount Rate Reserve**

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

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

## 27o Landfill Regulations Reserve

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

The Department of the Environment's accounts direction (Circular LG 16/12) provides an option to spread costs for the affected landfill sites, creating a negative reserve within the financial statements of the particular council.

The Department of the Environment has put in place a financial arrangement to allow for mitigation of specific approved costs re. the closure and aftercare of the landfill site over a set period of time. The approved costs and period of time are those agreed between the Council and the Department's Environment Policy Division in conjunction with the Northern Ireland Environment Agency (NIEA). The agreements are set out below.

### Closure Costs

Any landfill closure costs in excess of £2,820,312 (currently estimated to be £1,480,986) may be spread over ten years commencing in the financial year in which the engineering works to close the landfill site start.

The agreement means that, commencing in the financial year in which the engineering works to close the landfill site start, a set proportion of the excess costs is released to the general fund over a period of ten years. Work to close the landfill site has not yet commenced.

### Aftercare Costs

Any landfill aftercare costs in excess of £773,680 (currently estimated at £1,638,024) may be spread over ten years commencing in the final year in which the engineering works to close the landfill site finish. This is based on an estimated aftercare provision of 30 years. However, the actual period of aftercare can only be agreed between NIEA and the Council after a full assessment is carried out as part of the closure works.

The agreement means that, commencing in the financial year in which the engineering works to close the landfill site finish, a set proportion of the excess costs is released to the general fund over a period of ten years.

**LIMAVADY BOROUGH COUNCIL  
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**28 Significant Trading Operations**

The Council considers a trading operation exists where the service it provides is competitive i.e. the user always has the choice to use an alternative supplier to the Council and the Council would charge the user on a basis other than a straightforward recharge of the Council's costs in supplying the service.

Based on the above definition, the Council has no trading operations.

**LIMAVADY BOROUGH COUNCIL**  
**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**29 Agency Services**

Ballymoney Borough Council, Coleraine Borough Council, Limavady Borough Council and Moyle District Council have formed a consortium to implement the Active Communities Lottery Investment Programme. Financial assistance has been provided by Sport Northern Ireland (Sport NI) and the Council is the Lead Partner. The four councils each incur expenditure but the Council makes a claim to Sport NI on behalf of the other councils. Grant monies are paid to the Council which then pays each of the other councils.

Grant monies claimed from Sport NI on behalf of the other councils are netted off against grant monies paid to the other councils. This means that there is no effect on the Council's Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement.

The transactions and balances are set out below.

	£
Amount paid to the other councils in 2013/14	115,155
Amount received from Sport NI by the Council on behalf of the other councils in 2013/14	115,155
Amount owed to the other councils at 31 March 2014	14,464
Amount owed by Sport NI to the Council on behalf of the other councils at 31 March 2014	14,464
Amount paid to the other councils in 2014/15	124,214
Amount received from Sport NI by the Council on behalf of the other councils in 2014/15	124,214
Amount owed to the other councils at 31 March 2015	12,831
Amount owed by Sport NI to the Council on behalf of the other councils at 31 March 2015	12,831

**LIMAVADY BOROUGH COUNCIL**  
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**30 Related Party Transactions**

A Related Party Transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related Party Transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the Council or the Government of which it forms part. A related party is one that has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes cases where the related party entity and another entity are subject to common control but excludes providers of finance in the course of their normal business with the Council and Trade Unions in the course of their normal dealings with the Council. In addition where the relationship with the Council and the entity is solely that of an Agency (see Note 29) 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:

**Other bodies**

The Council made payments to the following Bodies on which Councillors and, on occasions, Council Chief Officers were voted on to the Management Committees. Their representation was non-beneficial and was part of the conditions of making payments and was aimed at safeguarding Council's interests.

	2014/15 £	2013/14 £
Aghanloo Community Association	3,296	2,000
Ballykelly Community and Youth Association	6,061	2,250
Feeny Community Association *	18,247	3,850
Foreglen Community Association	250	310
Gortnaghey Community Association	5,190	17,054
Greysteel Community Association *	5,380	7,250
Magilligan Community Association *	1,639	2,250
Causeway Coast and Glens Heritage Trust	11,000	11,000
Causeway Coast and Glens Tourism Partnership	25,710	25,608

Causeway Coast Arts	800	1,270
Causeway Coast Museum Service	22,808	21,684
Greysteel Community Enterprises	11,370	5,313
Limavady Community Development Initiative	66,044	92,498
Limavady Sports Council *	8,000	8,170
National Association Of Councillors (NI Region)	40	1,000
North East Peace III Partnership	4,350	-
Northern Ireland Local Government Association	5,618	5,773
Roe Valley Arts & Heritage Committee	-	1,000
Roe Valley Enterprises Limited	56,331	14,548
Roe Valley Chamber of Trade & Commerce	3,235	1,720
Northern Ireland Museum Council	-	300

\* These bodies use Council premises free of charge.

#### Other bodies (Declaration of Interest)

Councillors and senior employees have completed and signed Declaration of Interest forms for 2014/15. On these forms, they indicate whether or not they hold senior positions in organisations which may seek to do business with the Council or are related to people who work in organisations which may seek to do business with the Council.

No payments were made to organisations on which employees hold senior positions. The payments below were made to organisations on which councillors hold senior positions. These payments were authorised by senior employees.

	2014/15	2013/14
	£	£
Burnfoot Community Development Association	17,573	2,350
Roe Valley Community Education Forum	15,000	5,000
Drumsumn Community Association	6,904	3,346
North Coast Community Transport	1,640	-

## **Partnership boards**

### ARC North West

Councillors G Mullan, B Chivers, D Nicholl and T McCaul were on the Statutory Joint Council Committee of ARC North West for the period 1st April 2014 to 31st March 2015.

The Joint Council Committee along with the Local Action Group is the delivery Mechanism for Axis 3 & 4 of the Northern Ireland Rural Development Programme which comprises the council areas of Derry City Council, Limavady Borough Council, Omagh District Council and Strabane District Council. The Committee & Local Action Group commenced operations in January 2009. The Council does not contribute to the expenditure of the Joint Committee.

Omagh District Council maintained accounting records for the Committee but these transactions are not reflected in Omagh District Council's accounts. Instead these are reflected in ARC North West Joint Committee's statement of accounts for the year ended 31 March 2015. These statements are prepared under the Local Government (Northern Ireland) Order 2005 and subject to statutory audit by a local government auditor.

### North East Peace III Joint Committee

The Council participates in North East Peace III Joint Committee. Under this arrangement Peace III funding is available from the Special EU Programmes Body. The Council is part of this Joint Committee with Ballymena Borough Council, Ballymoney Borough Council, Coleraine Borough Council, Larne Borough Council and Moyle District Council. Coleraine Borough Council acts as the Administrative Council with responsibility for all the financial and administrative matters. The Council does not contribute to the expenditure of the Joint Committee.

Coleraine Borough Council administers the payments and income for the Joint Committee but these transactions are not reflected in Coleraine Borough Council's accounts. Instead these are reflected in North East Peace III Joint Committee's statement of accounts for the period ended 31 December 2014. These statements are prepared under the Local Government (Northern Ireland) Order 2005 and subject to statutory audit by a local government auditor.



### North West Regional Waste Management Group

The Council is a member of the North West Regional Waste Management Group (NWRWMG) Joint Committee which is established for the purposes of managing waste. During the year the Council advanced £22,155 (2013/14 - £17,288) towards funding the expenditure of the Joint Committee.

The Joint Committee is a partnership of seven councils (Ballymoney Borough Council, Coleraine Borough Council, Derry City Council, Limavady Borough Council, Magherafelt District Council, Moyle District Council and Strabane District Council) established to collaborate in implementing the Waste Management Plan to develop an integrated network of regional waste management facilities which would be cost effective to the public. Total expenditure by the Committee for the year was £211,866. Derry City Council acts as the Administrative Council with responsibility for all financial and administrative matters.

Derry City Council administers the payments and income for the Joint Committee but these transactions are not reflected in Derry City Council's accounts. Instead they are reflected in the North West Regional Waste Management Group Joint Committee's statement of accounts for the year ended 31st March 2015. These statements are prepared under the Local Government (Northern Ireland) Order 2005 and subject to statutory audit by a local government auditor.

### Causeway Coast and Glens Statutory Transition Committee (CCaGSTC)

The CCaGSTC was formed pursuant to the powers conferred by the Local Government (Statutory Transition Committees) Regulations (Northern Ireland) 2013. The Regulations required each new Council area to establish a Statutory Transition Committee and the CCaGSTC was established on 8th August 2013 in accordance with this legislation and ceased to exist on 19th June 2014. The CCaGSTC is comprised of twenty councillors, five from each of the four councils; Ballymoney Borough Council, Coleraine Borough Council, Limavady Borough Council and Moyle District Council.

For the new council, Causeway Coast and Glens Borough Council, the CCaGSTC must i) prepare a draft corporate and business plan, ii) prepare a draft budget and iii) arrange the first meeting for the new Causeway Coast and Glens Borough Council. During the year the Council advanced £73,641 (2013/14 - £12,943) towards funding the expenditure of the CCaGSTC.

The Council administers the payments and income for the CCaGSTC but these transactions are not reflected in the Council's accounts. Instead they are reflected in the CCaGSTC statement of accounts for the period ended 19th June 2014. These statements are prepared under the Local Government (Northern Ireland) Order 2005 and subject to statutory audit by a local government auditor.

## Causeway Coast and Glens Shadow Council (CCaGSC)

As part of local government reform 11 New Councils were established under the Local Government Act (Northern Ireland) 1972 as amended by the Local Government (Boundaries) Act (Northern Ireland) 2008. The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 made transitional provision for the New Councils, which came into existence on 26th May 2014 and operated in shadow form until they will take over full responsibility for local government on 1st April 2015 when the predecessor councils cease to exist.

Causeway Coast and Glens Borough Council combines Ballymoney Borough Council, Coleraine Borough Council, Limavady Borough Council and Moyle District Council into one new body and it was called CCaGSC from 26th May 2014 until 31st March 2015

Under the Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014, during the transitional period CCaGSC shall i) prepare for the discharge of its functions after the 31st March 2015, and shall, in particular, establish such committees and sub-committees, appoint such staff, and prepare such budgets, plans, schemes and other things as are, or will be, required for that purpose; and ii) liaise with any existing council for the purposes of ensuring continuity in the exercise of its functions on and after the 1st April 2015.

The Council administers payments and income for the CCaGSC but these transactions are not reflected in the Council's accounts. Instead they are reflected in the CCaGSC statement of accounts for the period ended 31st March 2015. These statements are prepared under the Local Government (Northern Ireland) Order 2005 and subject to statutory audit by a local government auditor. During the year the Council advanced £133,078 (2013/14 - £Nil) towards funding the expenditure of the CCaGSC.

### **Councils**

During the year, £933,819 was payable by the Council to other councils, of which £67,809 (see Note 18a) was outstanding at 31 March 2015, and £554,527 was receivable from other councils, of which £250,540 (see Note 15b) was outstanding at 31 March 2015. Coleraine Borough Council charged the Council £500,432 for waste disposal charges (gate fees and landfill tax). The other amounts mainly related to services provided.

## **Car loans**

During the year, Council paid £Nil (2013/14 - £Nil) to senior Council officials and received £Nil (2013/14 - £1,604) in repayment of car loans from senior officials. The total amount outstanding from senior officials at 31 March 2015 was £Nil (2013/14 - £Nil).

**LIMAVADY BOROUGH COUNCIL  
Financial Statements  
FOR THE YEAR ENDED 31 MARCH 2015**


**Accounts Authorised for the Issue Certificate**

In accordance with International Accounting Standard (IAS 10) this Statement of Accounts is at today's date hereby authorised for issue.

IAS 10 sets out

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

Signed

  
\_\_\_\_\_  
Chief Financial Officer  
Causeway Coast and Glens Borough Council

Date

26 October 2015