



BANBRIDGE
DISTRICT COUNCIL

**FINANCIAL STATEMENTS
FOR THE YEAR ENDING
31 MARCH 2015**

BANBRIDGE DISTRICT 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.

This Statement of Accounts explains Banbridge District 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.

The Explanatory Foreword is not part of the financial statements but is prepared on the basis that it is consistent with the financial statements. In addition, the Explanatory Foreword does not purport to comment on Council policies.

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 (see disclosure within note 29 for further details). Banbridge District Council does not have material interests in such bodies and accordingly is not required to prepare group financial statements.

Financial Report

For the year ended 31 March 2015 the Council had a surplus of £432k as detailed below, increasing its General Fund reserve from £2.16m to £2.60m. The Council's budgeted District Rate and General Grant income of £13.8m was supplemented by £166k for finalisation payment of District Rates and £12k additional general grant payable. The total net expenditure on continuing operations reported in the Comprehensive Income and Expenditure Statement is £13.6m, whilst the Movement in Reserves Statement shows the accounting and timing adjustments resulting in Reserve Balances of £2.6m in the General Fund, £385k in the Capital Fund and £813k in Earmarked reserves. The Repairs and Renewals Fund is also included within Earmarked reserves.

A summary of the Council's performance compared to budget is included as follows:

	2014 / 2015		
	Actual £	Budget £	Variance £
Net Service Expenditure	11,239,604	11,925,760	(686,156)
MRP & Lease payments and Interest	2,269,991	2,338,000	(68,009)
Net Expenditure	13,509,595	14,263,760	(754,165)
Income from General Grant	1,651,252	1,639,115	12,137
Income from District Rates	12,290,517	12,124,645	165,872
Surplus / (Deficit) on District Fund balance for	432,174	(500,000)	932,174

Expenditure on capital projects during the year amounted to £2,262k, the most significant spend was on replacement vehicles £109k and equipment £331k, playground equipment £391k and improvements at the leisure centre £471k. As at 31 March 2015, total borrowings taken out to fund such projects were £18.8m as detailed in note 16 of the Financial Statements; which also includes £1m short term borrowings from Craigavon Borough Council.

The accounts include the Movement in Reserves Statement which shows the overall Council surplus/deficit for the year and the different reserves held by Council; the Comprehensive Income and Expenditure Statement which shows the accounting cost of providing services; the Balance Sheet showing the Council's assets and liabilities and the Cash Flow Statement showing the changes in cash in the period.

Council Reserves are analysed into "usable reserves" (i.e. those that can be applied to fund expenditure or reduce local taxation) and "unusable reserves".

The net assets of the Council (assets less liabilities) are matched by these reserves held by the Council. Usable reserves, ie those reserves that the Council may use to provide services, are 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). Unusable 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'.

Retirement Benefits for employees were previously accounted for as if it were a defined contribution scheme. Under the IFRS based Code of Practice on Local Authority Accounting this is no longer the case and Councils are required to account for their pension plans on a defined benefit basis. Councils are therefore required to recognise their defined benefit obligation and the fair value of the plan assets attributed to them on the balance sheet. Details of the Retirement Benefits relating to the Council are detailed in note 20 to the Financial Statements.

An increase in the Revaluation Reserve of £1,263k (2013/2014 increase £8,775k) due to an indexation exercise is reflected in the Fixed Assets, resulting in an increase in the valuation of assets in the balance sheet by the same value.

The accounts have been prepared on a IFRS basis since 2010/2011. The date of transition to IFRS was 1 April 2009.

In the current economic climate, revenue spend is expected to remain static in the incoming year with only a marginal increase in District Rates income. Capital investment in the incoming year is expected to be less than in recent years with expected spend on committed projects detailed at note 12.

The Council utilises Government Loan Fund for borrowing for capital expenditure. A summary of capital expenditure funding is included at note 11.

The Reform of Local Government will see Banbridge District Council merge with its two neighbouring Councils as from 1 April 2015, which has influenced budgeting and expenditure for both revenue and capital spend in the run up to this merger. A Statutory Transition Committee (STC) consisting of Elected Members of the three Councils was in place for part of the year up to the Local Government Elections in May 2014, with the new Council operating in shadow form for the 10 months to March 2015. Both bodies were governed by guidance from the Department of the Environment within current Legislation and Statutory requirements.

Post Balance Sheet Events

From 1st April 2015, Banbridge District Council will cease to exist and its functions will be transferred to the new Armagh City Banbridge & Craigavon Borough Council.

Armagh City Banbridge & Craigavon Borough Council combines the previous councils of Armagh City, Banbridge and Craigavon 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 has designated an officer as having responsibility for the winding up of its predecessor councils.

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

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

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 Council's Performance and Audit Committee on 25th June 2015 and were subject to a number of material adjustments and disclosure amendments as noted on page 89.

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.

Banbridge District Council Annual Governance Statement 2014/2015

Despite Banbridge District Council ceasing on the 31 March 2015, this governance statement has been prepared on the basis that the new Council will largely continue these governance arrangements.

Scope of Responsibility

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

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

Banbridge District Council is required to prepare an Annual Governance Statement which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government, and which is in full compliance with the Framework for the year commencing 1 April 2014. 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.

Banbridge District Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010). This includes compliance with Principle 5, as the Chief Financial Officer role was filled by the Acting Chief Executive for the year ended 31 March 2015, who was professionally qualified and suitably experienced. The Local Government arrangements are such that the CFO is also supported by a number of fully qualified and experienced staff within the Corporate Services Directorate who are also members of various bodies within the Consultative Committee of Accountancy Bodies (CCAB) and as such ensure the decisions made are based on sound technical accounting knowledge and understanding.

The Purpose of the Governance Framework

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

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

likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

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

The Governance Framework

The Council complies with the following key elements of the systems and processes that comprise the Council's governance arrangements including arrangements for:

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

This is achieved by the establishment and monitoring of the Council's key priorities and objectives through its Corporate, Financial and Service planning processes. Banbridge District Council developed a corporate plan for 2011 – 2015. A copy of the corporate plan is on the Council's web site.

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

The Council's 2011-2015 Corporate Plan will help Council focus on the future. The plan is based on themes and priorities identified by Elected Members, senior managers, staff and other key stakeholders.

The Corporate Plan is reviewed annually via Departmental Reports and an Annual Report. The Corporate Plan helps Council focus on the future and establishes values that the Council wants to create over the 4 year period of the plan. In doing this the Corporate Plan provides a sense of direction for the Council.

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.*

This is achieved by establishing and reporting on performance targets, by benchmarking key performance indicators against other Councils and by customer engagement, which will include:

- Customer Charter
- Surveys and consultations
- A formal complaints system
- A performance management system
- Service Reviews

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.*

The Council has long established protocols supported by a Committee system, standing orders and an effective performance management framework.

Corporate objectives of the Council are linked to levels of responsibility and individual staff through the Departmental business planning process and through the use of Personal Development Planning.

The Council have Accounts Scrutineers who scrutinise all accounts for payment on a monthly basis.

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

Guidance and standards of behaviour are incorporated into staff handbooks and Councillor guidance and induction training programs. All Members receive a copy of the Northern Ireland Code of Local Government Conduct which is a code of recommended practice for the guidance of Councillors. A new Code of Conduct came into effect during 2014/15 as part of the Local Government (NI) Act 2014.

The CIPFA Framework for Delivering Good Governance in Local Government recommends that local authorities put in place arrangements to ensure that employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice. A Gifts and Hospitality Register is in place, the purpose of which is to counter any possible accusations or suspicions of breach of the Code of Conduct by staff.

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

The Council regularly revisits Standing Orders, Financial Regulations and processing procedures. Council does not have comprehensive notes/manuals on all processes and controls and, while open to evidence of good practice, does not at present consider it necessary to undertake an overhaul.

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties where possible), management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council, whilst Directors report to the individual Committees where Member decisions are made and subsequently ratified by Full Council. In particular the system includes:

- Budgetary Control
- Purchasing Procedures
- Corporate Planning
- Risk Management Strategy/Policy

The Council have the following structures, which facilitate staff development, conduct and good governance, in place:

- Committee reporting
- Induction training
- Fraud awareness training
- Gifts and Hospitality Policy
- Fraud (including fraud response plan) and whistle blowing policies

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 during 2007/08 which reports to the Policy and Resources Committee. There are 4 Members nominated at the Council AGM for the duration of the Council, with the Acting Chief Executive, Head of Finance and the Principal Internal Auditor from Craigavon Borough Council attending all meetings during 2014-2015. The Local Government Auditor is also invited and attends as considered necessary.

During 2014-15 the Audit Committee met in April 2014, June 2014, December 2014 and February 2015. The Audit Committee has not appointed a Lay Representative.

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

The Chief Financial Officer is the designated officer responsible for the proper administration of the Council's financial affairs and Council's financial management arrangements conform to the CIPFA governance arrangements on the role of the Chief Financial Officer.

It is the responsibility of each Director to ensure that agreed procedures are followed within their own specific department. Each Director is required to sign an annual Stewardship Certificate which gives assurance that controls and risks within their specific area of responsibility are effective.

Managers are aware of their responsibility for ensuring:

- Compliance with relevant laws and regulations, internal policies and procedures
- Compliance with statutory responsibilities regarding Health & Safety
- That expenditure is lawful within their area of responsibility
- That staff conduct council business in accordance with the law and proper standards
- That public money, for which they are responsible, is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Council maintain a panel of legal specialists and have access to a wide range of expertise.

9. Whistleblowing, receiving and investigating complaints from the public.

A Whistleblowing Policy is in place and is available on the public server for all staff. Whistleblowing plays an important role, both as an instrument of good governance and a manifestation of a more open culture. The overall essence of the policy is that staff should be able to bypass the direct management line and go outside the Council if they feel that management is engaged in an improper course.

Council have a Corporate Complaints Procedure for members of the public

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

Training needs for officers are identified through the Personal Development Planning scheme. A training needs analysis for Members was carried out in conjunction with Craigavon and Armagh Councils and training continues across the three council areas.

In order to ensure all staff are properly prepared for the transition to the new super Council, personal training and other development opportunities have continued throughout the year designed to assist staff in the transition to the new organisation.

The Council maintained its Investors In People Accreditation.

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

The Council employs a professional marketing section and complies with the best practices in openness and transparency of its goals and decisions. The following activities are channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

- The corporate plan
- The "Cutting Edge" civic magazine.
- The Council's web site
- Social Media
- Complaints handling system
- Elected Members
- Council Meetings are open to the public
- Ongoing consultation processes

The Media are invited to all Council meetings. There is clear promotion of Council services through pro-active media relations in addition to a range of marketing communications on a range of Council services such as bin collection calendars.

As a pre- requisite to merging with the neighbouring councils, significant marketing of the new organisation has been embedded into the communications strategy, in particular since the election to the new Council in May 2014.

Review of Effectiveness

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

The Council has developed a Performance Management Framework which integrates planning, risk management and performance management with well-defined roles for Senior Officers and Councillors, Internal control is evidenced by the role of the Audit Committee and assisted by internal audit staff from a neighbouring Council as part of the collaboration agenda.

The distribution of relevant responsibilities is evidenced in the following roles:

a) Members

The Council's Standing Orders and Financial Regulations provide the framework for its decision making processes and sets out the detailed procedures and codes of conduct by which Members and officers operate to achieve Council objectives. Members meet regularly on a formal basis to set the strategic direction and monitor the service delivery of the Council. The following Committee Structure is in place:

- Environmental Services Committee
- Leisure & Development Committee
- Policy & Resources Committee
- Audit Committee
- Public Services Committee
- Statutory Transition Committee

Members meet annually at the start of the budget setting cycle to consider strategic issues, the allocation of capital and revenue resources and investigate areas for efficiency savings.

b) Senior Officers

Formal assurance is provided by Directors that policies and procedures are being applied in the initiation, development and delivery of service plans. Where gaps have been identified, action plans have been drafted and responsibility for implementation assigned.

In signing their Stewardship Certificate on the Effectiveness of Controls, Directors opinions were informed by the following:

- Assurance from the relevant Department's management team
- Departmental Business Plans including Key Performance Indicators
- Departmental and Operational Risk Registers
- Operational policies and procedures
- Regular management and monitoring information
- Internal audit reports
- Management Supervision
- System of delegation and accountability

c) The Audit Committee / Overview and Scrutiny Committees / Risk Management Committee

The Audit Committee provides assurance on the adequacy of the Council's risk management framework and associated control environment. It provides an independent scrutiny of the Council's financial and non-financial performance to the extent that it exposes it to risk and weakens the control environment.

The annual review of the effectiveness of the Audit Committee was presented at the December 2014 Audit Committee meeting. This review was completed against the CIPFA 'best practice' checklist and was considered satisfactory.

d) Internal Audit

Internal Audit is carried out by a neighbouring Council through a Service Level Agreement. A quality review of the service is undertaken through annual self-assessments and regular external reviews, most recently by CIPFA in 2011/2012.

The effectiveness of the Council's internal controls is examined in detail through the work of the Audit plan. The audit plan is based on a needs and risk assessment process that focuses resources on higher risk areas and meets the professional standards required by CIPFA.

Based on evidence from planned audits, reports are issued to the Audit Committee on any major weaknesses that have been identified in the internal controls examined, and highlights where important improvements are considered necessary.

During 2014-15 fourteen audits were completed, none of which resulted in limited assurances as at 31 March 2015. Six audits were substantial and eight were satisfactory with Internal Audit reporting an overall assurance rating of a *satisfactory* level of internal control within the Council's systems and procedures.

Implementation of recommendations by management has been agreed and Post Audit Reviews will monitor progress on these recommendations during 2015-16.

e) Other explicit review/assurance mechanisms

External audit provides a level of assurance through the provision of their annual audit and issuing of a Report to those charged with Governance within the Council, which includes an Action Plan to address issues identified.

To ensure ongoing accreditation to ISO 14001, the standard the Council works to in relation to environmental management, a further audit by the external body was conducted in 2014-15 and Council maintained its certification to ISO 14001.

Whilst Internal Audit identified the need for certain improvements, there were no issues raised that are considered to represent a significant governance issue and as part of their annual report to the Audit Committee, Internal Audit issued an overall satisfactory annual assurance.

The Council's Audit Committee is kept informed of any suspected fraud or other irregularity.

Significant Governance Issues

ABSENTEEISM

Banbridge District Council continues to actively monitor its absenteeism rates. Absence for 2014-15 was 10.43 days per employee compared to 14.01 days per employee the previous year.

Council continues to implement the Action Plan included in the HSENI Stress Survey report.

LOCAL GOVERNMENT REFORM

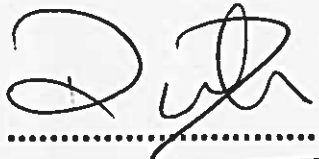
From 1 April 2015, under the Reform of Local Government (RLG), the number of Councils in Northern Ireland reduced from the 26 existing to 11 new Councils, established under the Local Government Act (Northern Ireland) 1972 as amended by the Local Government (Boundaries) Act (Northern Ireland) 2008. From that date the Northern Ireland Executive has agreed to transfer some functions currently carried out by NI Government Departments and give 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 take over full responsibility for local government on 1st April 2015 when the 26 existing councils cease to exist. The final accounts for Banbridge District Council will therefore be for the 2014/15 financial year. The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 made transitional provision with respect to local government reorganisation including positions of responsibility within the new council for the winding up and final accounts of existing councils.


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

ACTING CHIEF EXECUTIVE

At the 1 April 2014 the previous Chief Executive was replaced by the Director of Corporate Services as Acting Chief Executive for the final year of the Council. Subsequently, in the summer of 2014, the Head of Human Resources and the Head of Finance & IT were appointed to the new Armagh City, Banbridge and Craigavon Borough Council, with their responsibilities covered by existing staff within the Corporate Services Department.

Signed  Date26 October 2015

Chief Financial Officer

Signed  Date26 October 2015

Chair of the Performance and Audit Committee

Certificate of the Chief Financial Officer

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2015 on pages 15 to 88 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 19 to 35.
- (b) in my opinion the Statement of Accounts gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year ending 31 March 2015.



.....
Chief Financial Officer

26 October 2015
.....

Council Approval of Statement of Accounts

These accounts were approved by resolution of the Performance and Audit Committee on 25 June 2015 and were subject to a number of material adjustments and disclosure amendments as noted on page 89.



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Chair of the Performance and Audit Committee

26 October 2015
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARMAGH CITY, BANBRIDGE AND CRAIGAVON BOROUGH COUNCIL

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

Respective responsibilities of the Chief Financial Officer and the independent auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2014-15, of the financial position of Banbridge District 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.

CU

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 Banbridge District Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.



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

Date *28 / October 2015*

BANBRIDGE DISTRICT COUNCIL
Movement in Reserves Statement
For the current and comparative year

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

	General Fund Summary	Statutory Reserves	Other Fund Balances & Reserves	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£	£	£	£	£	£	£
At 1 April 2013	2,010,046	668,040	813,482	0	3,491,568	1,654,250	5,145,818
Movement in reserves during the year							
Surplus or (deficit) on the provision of services	885,314	0	0	0	885,314	0	885,314
Other Comprehensive Income and Expenditure	0	0	0	0	0	9,384,728	9,384,728
Total Comprehensive Income and Expenditure	885,314	0	0	0	885,314	9,384,728	10,270,042
Adjustments between accounting basis & funding basis under regulations	(738,103)	0	0	0	(738,103)	738,103	0
Net Increase/Decrease before Transfers to Statutory and Other Reserves	147,211	0	0	0	147,211	10,122,831	10,270,042
Transfers to/from Statutory and Other Reserves	0	0	0	0	0	0	0
Increase/Decrease in Year	147,211	0	0	0	147,211	10,122,831	10,270,042
At 31 March 2014	2,157,257	668,040	813,482	0	3,638,779	11,777,081	15,415,860
Movement in reserves during the year							
Surplus or (deficit) on provision of services	(699,008)	0	0	0	(699,008)	0	(699,008)
Other Comprehensive Income and Expenditure	0	0	0	0	0	(80,997)	(80,997)
Total Comprehensive Income and Expenditure	(699,008)	0	0	0	(699,008)	(80,997)	(780,005)
Adjustments between accounting basis & funding basis under regulations	1,131,182	(283,000)	0	0	848,182	(848,182)	0
Net Increase/Decrease before Transfers to Statutory and Other Reserves	432,174	(283,000)	0	0	149,174	(929,179)	(780,005)
Transfers to/from Statutory and Other Reserves	0	0	0	0	0	0	0
Increase/Decrease in Year	432,174	(283,000)	0	0	149,174	(929,179)	(780,005)
At 31 March 2015	2,589,431	385,040	813,482	0	3,787,953	10,847,902	14,635,855

BANBRIDGE DISTRICT COUNCIL

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

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

	Notes	Gross Expenditure £	2014/15 Gross Income £	Net Cost £	Gross Expenditure £	2013/14 Gross Income £	Net Cost £
Services Expenditure							
Leisure and Recreational Services		8,543,252	1,875,388	6,667,864	6,015,757	1,915,497	4,100,260
Environmental Services		6,496,216	1,209,779	5,286,437	6,988,496	925,267	6,063,229
DRM and Corporate Management		1,015,944	13,767	1,002,177	1,110,340	169,177	841,163
Other Services		2,141,911	1,461,216	680,695	1,920,145	1,426,338	493,807
Cost of Services on Continuing Operations	4-6	18,197,323	4,560,150	13,637,173	16,034,738	4,436,279	11,598,459
Other Operating Expenditure	7	0	0	0	0	402	(402)
Financing and Investment Income and Expenditure	8	1,305,170	8,623	1,296,547	1,374,155	36,758	1,337,397
Surplus or Deficit on Discontinued Operations		0	0	0	0	0	0
Net Operating Expenditure		19,502,493	4,568,773	14,933,720	17,408,893	4,473,439	12,935,454
Taxation and Non-Specific Grant Income	9	0	14,234,712	(14,234,712)	0	13,820,768	(13,820,768)
Surplus/(Deficit) on the Provision of Services		19,502,493	18,803,485	(699,008)	17,408,893	18,294,207	885,314
Surplus/(Deficit) on revaluation of non-current assets	10a/10b/10d			1,263,003			6,774,728
Impairment losses on non-current assets charged to the Revaluation Reserve	10a/10b/10d			0			0
Surplus/(Deficit) arising on revaluation of available-for-sale financial assets	25a/25b			0			0
Remeasurements of the Net Defined Benefit Liability (Asset)	20			(1,344,000)			610,000
Other Comprehensive Income and Expenditure				(80,997)			9,384,728
Total Comprehensive Income and Expenditure				(780,005)			10,270,042

BANBRIDGE DISTRICT COUNCIL
Balance Sheet As At 31 March 2015

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

	Notes	2014/15 £	2013/14 £
Property Plant & Equipment (PP&E)	10a/10b	38,046,960	36,974,991
Land & Buildings	10a/10b	35,886,264	34,592,031
Infrastructure Assets	10a/10b	0	0
Landfill Site	10a/10b	0	0
Vehicles, Plant, Furniture and Equipment	10a/10b	1,054,924	1,177,486
Community Assets	10a/10b	0	0
PP&E under Construction	10a/10b	0	99,702
Surplus Assets	10a/10b	1,105,772	1,105,772
Heritage Assets	10d	1,088,750	1,088,750
Investment Properties	10a/10b	0	0
Intangible Assets	10a/10b	10,000	10,000
Assets Held for Sale	10e	0	0
Long Term Investments	15a	0	0
Investment in Associates and Joint Ventures		0	0
Long Term Debtors	14a	141,315	126,258
LONG TERM ASSETS		39,287,025	38,199,999
Short Term Investments	15b	0	0
Inventories	13	81,954	60,693
Short Term Debtors	14b	3,382,514	1,640,991
Cash and Cash Equivalents	24b	1,927,520	3,941,247
Assets Held for Sale	10e	0	0
CURRENT ASSETS		5,391,988	5,642,931
Bank Overdraft		0	0
Short Term Borrowing	16a	1,895,354	951,560
Short Term Creditors	17a	2,525,951	2,745,303
Provisions	18	0	0
Liabilities in Disposal Groups		0	0
CURRENT LIABILITIES		4,421,305	3,696,863
Long Term Creditors	17b	0	0
Provisions	18	0	0
Long Term Borrowing	16b	17,890,955	18,780,358
Other Long Term Liabilities	5,20	7,730,898	5,949,849
Donated Assets Account	21	0	0
Capital Grants Receipts in Advance	22	0	0
LONG TERM LIABILITIES		25,621,853	24,730,207
NET ASSETS		14,635,855	15,415,860
USABLE RESERVES			
Capital Receipts Reserve	CRR 25a/25b	3,787,953	3,638,779
Capital Grants Unapplied Account	25a/25b	0	0
Capital Fund	25a/25b	385,040	668,040
Renewal and Repairs Fund	25a/25b	0	0
Other Balances and Reserves	25a/25b	813,482	813,482
General Fund	Gen Fd 25a/25b	2,589,431	2,157,257
UNUSABLE RESERVES			
Capital Adjustment Account	CAA 25a/25b	10,847,902	11,777,081
Financial Instruments Adjustment Account	25a/25b	7,707,392	7,448,056
Revaluation Reserve	25a/25b	0	0
Available for Sale Financial Instruments Reserve	25a/25b	10,987,694	10,396,843
Pensions Reserve	25a/25b	0	0
Capital Receipts Deferred Account	25a/25b	(7,729,188)	(5,942,188)
Accumulated Absences Account	25a/25b	0	0
Landfill Regulations Reserve	25a/25b	(117,996)	(125,630)
Provisions Discount Rate Reserve	25a/25b	0	0
NET WORTH		14,635,855	15,415,860

BANBRIDGE DISTRICT COUNCIL
Cash Flow Statement at 31 March 2015

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

	Notes	2014/15 £	2013/14 £
Net (surplus) or deficit on the provision of services		(699,008)	885,314
Adjustment to surplus or deficit on the provision of services for noncash movements		621,324	1,710,580
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		(292,943)	(372,465)
		<hr/>	<hr/>
Net cash flows from operating activities	24a), 24c)	(370,627)	2,223,429
Net Cash flows from Investing Activities	24d)	(1,691,540)	313,488
Net Cash flows from Financing Activities	24e)	48,440	(952,546)
Net increase or decrease in cash and cash equivalents		(2,013,727)	1,584,371
Cash and cash equivalents at the beginning of the reporting period		3,941,247	2,356,876
Cash and cash equivalents at the end of the reporting period		<hr/> 1,927,520 <hr/>	<hr/> 3,941,247 <hr/>

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements

1a Accounting Policies

General Principles

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

Summary of Significant Accounting Policies

i) Accruals of Income and Expenditure

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

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

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

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

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

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

ii) Acquisitions

Council has no acquired operations or transferred operations under machinery of government arrangements during the financial year.

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

Council has completed payment of costs following implementation of its Single Status Policy.

iv) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more 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.

v) Contingent Assets

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

vi) Contingent Liabilities

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

vii) Discontinued Operations

Council has no discontinued operations or transferred operations under combinations of public sector bodies during the financial year.

viii) Employee Benefits

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

Termination benefits

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

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

Post Employment Benefits

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

The Northern Ireland Local Government Officers' Pension Fund

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

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

Liabilities are discounted to their value at current prices, using a discount rate of 3.2% (based on the indicative rate of return on high quality corporate bonds on the iBoxx Sterling Corporate Index, AA over 20 years with recently re-rated bonds removed from the index).

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

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

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

Within the Cost of Services

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

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

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

Within Financing and Investment Income and Expenditure

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

Within Other Comprehensive Income and Expenditure (Remeasurements)

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

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

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

Within the Movement in Reserves Statement Appropriations

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

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

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

Discretionary Benefits

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

ix) Events After the Balance Sheet Date

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

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

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

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

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

x) Exceptional Items

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

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

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

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

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

xii) Financial Instruments

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

Financial Liabilities

Amortised Cost

Financial Assets

Loans and Receivables

Available for Sale

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

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

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

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

Financial Assets

Financial assets are classified into two types:

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

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

Loans and Receivables

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

Council has not made any loans to voluntary organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the District Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

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

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

Available-for-Sale Assets

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

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

Council has no financial assets at fair value through profit or loss (such as derivatives).

Instruments Entered Into Before 1 April 2006

The Council entered into a number of financial guarantees that are not required to be accounted for as financial instruments. These guarantees are reflected in the Statement of Accounts to the extent that provisions might be required or a contingent liability note is needed under the policies set out in the sections on Provisions, Contingent Liabilities and Contingent Assets.

xiii) Foreign Currency Translation

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

xiv) Government Grants and Contributions

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

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

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

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

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

xv) Intangible Assets

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

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

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

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

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the District Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £2k) the Capital Receipts Reserve.

xvi) Inventories & Long Term Contracts

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

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

xvii) Investment Property

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

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

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

xviii) Landfill Allowance Schemes

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

xix) Leases

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

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

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

The Council as Lessee

Finance Lease:

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

Lease payments are apportioned between:

- a 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.

xx) Disposals and Non-Current Assets Held for Sale

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

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

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

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

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

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

xxi) Overheads and Support Services

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

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

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

xxii) Property, Plant and Equipment

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

Recognition

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

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

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

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

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 and certain Community Assets) and assets that are not yet available for use (i.e., assets under construction).

Depreciation is calculated on the following bases:

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

- infrastructure – straight-line allocation over 50 years.

Componentisation

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

Revaluations

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

xxiii) Heritage Assets

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

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

Tangible and Intangible Heritage Assets (described in this summary of significant accounting policies as Heritage Assets)

Banbridge District Council's Heritage Assets are held at the FE McWilliam Gallery in Banbridge. The Gallery has a collection of heritage assets which are held in support of the primary objective of the Council's Gallery, i.e. increasing the knowledge, understanding and appreciation of the District's history and local area. 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.

Art Collection

The art collection includes Bronze Art Sculptures and Statues and sketches and is reported in the Balance Sheet at purchase cost at Auction. The assets within the art collection are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

The collection is relatively static and acquisitions and donations are relatively rare. When they do occur, acquisitions are initially recognised at cost and donations are recognised at valuation with valuations provided by the external valuers and with reference to appropriate commercial markets for the paintings using the most relevant and recent information from sales at auctions.

Heritage Assets – General

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, eg 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 xxii in this summary of significant accounting policies. The trustees of the Council's Museum will occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. 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 xx and xxii in this summary of significant accounting policies).

xxiv) Provisions

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

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

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

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

xxv) Reserves

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

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

xxvi) Charges to Revenue for Non-Current Assets

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

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

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

xxvii) Revenue Expenditure Funded from Capital under Statute

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

xxviii) Value Added Tax

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

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

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

IFRS 13 Fair Value (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.

IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

The 2013/14 Code included new disclosure requirements where financial assets and financial liabilities are offset (under the criteria defined in IAS 32 Financial Instruments: Presentation).

It is not anticipated that changes resulting from amendments to IAS 32 will impact this Authority

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.

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

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

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, below the Council has had to make certain 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) Property, Plant and Equipment

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

ii) Provisions

The Council has not made a provision for bad debt arising from non-collection of rate income by Land & Property Services in future years. It is not certain how much uncollected rates will be written off by LPS in future years.

iii) Pensions Liability

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

iv) Arrears

A review of significant sundry debtor balances has produced a specific allowance for doubtful debts. However, in the current economic climate it is not certain that such an allowance would be sufficient

If collection rates were to deteriorate, a doubling of the amount of doubtful debts would require an additional £19k to set aside as an allowance.

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

2a Segmental Reporting Analysis - Current Year

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

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

[Comparative disclosures are reported in Note 2b]

Services	2014/15		
	Gross Expenditure	Gross income	Net Expenditure/(Income)
	£	£	£
Culture and Heritage	610,502	35,956	574,546
Recreation and Sport	6,240,999	1,356,982	4,884,017
Tourism	504,349	52,735	451,614
Community Services	1,187,402	429,715	757,687
Leisure and Recreational Services	8,543,252	1,875,388	6,667,864
Cemetery, Cremation and Mortuary	173,903	59,673	114,230
Environmental Health	786,817	264,028	522,789
Flood Defence and Land Drainage	0	0	0
Public Conveniences	146,710	434	146,276
Licensing	74,503	16,341	58,162
Other Cleaning	404,986	11,031	393,955
Waste Collection	2,682,829	458,775	2,224,054
Waste Disposal	1,367,007	223	1,366,784
Building Control	484,946	342,845	142,101
Other Community Assets	242,867	56,429	186,438
Minor Works	131,648	0	131,648
Environmental Services	6,496,216	1,209,779	5,286,437
Democratic Representation and Management	680,804	12,930	667,874
Corporate Management	335,140	837	334,303
DRM and Corporate Management	1,015,944	13,767	1,002,177
Economic Development	1,839,662	1,207,037	632,625
Trading Services	0	0	0
Non Distributed Costs	0	14,000	(14,000)
Central Services to the Public	302,249	240,179	62,070
Other Services	2,141,911	1,461,216	680,695
CONTINUING OPERATIONS	18,197,323	4,560,150	13,637,173

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

2a Segmental Reporting Analysis - Current Year

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

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

	£	£
Net Cost of Services in Service Analysis		13,637,173
<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>
Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement		13,637,173
<i>Items included in Net Operating Expenditure excluded from Service Analysis:</i>		
Other Operating Expenditure	0	
Financing and Investment Income and Expenditure	1,296,547	
Surplus or Deficit on Discontinued Operations	0	
		<u>1,296,547</u>
Net Operating Expenditure per the Comprehensive Income and Expenditure Statement		14,933,720

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

2b Segmental Reporting Analysis - Comparative Year

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

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

Services	2013/14		
	Gross Expenditure	Gross Income	Net Expenditure/(Income)
	£	£	£
Culture and Heritage	(440,139)	31,523	(471,662)
Recreation and Sport	5,502,469	1,448,243	4,054,226
Tourism	202,468	94,324	108,144
Community Services	750,959	341,407	409,552
Leisure and Recreational Services	6,015,757	1,915,497	4,100,260
Cemetery, Cremation and Mortuary	667,830	63,222	604,608
Environmental Health	661,591	100,849	560,742
Flood Defence and Land Drainage	0	0	0
Public Conveniences	245,091	260	244,831
Licensing	61,415	15,912	45,503
Other Cleaning	395,035	11,588	383,447
Waste Collection	1,607,149	421,813	1,185,336
Waste Disposal	1,511,004	0	1,511,004
Building Control	477,378	271,787	205,591
Other Community Assets	1,233,020	39,836	1,193,184
Minor Works	128,983	0	128,983
Environmental Services	6,988,496	925,267	6,063,229
Democratic Representation and Management	794,875	147,967	646,908
Corporate Management	315,465	21,210	294,255
DRM and Corporate Management	1,110,340	169,177	941,163
Economic Development	1,619,428	1,157,096	462,332
Trading Services	0	0	0
Non Distributed Costs	3,971	13,000	(9,029)
Central Services to the Public	296,746	256,242	40,504
Other Services	1,920,145	1,426,338	493,807
CONTINUING OPERATIONS	16,034,738	4,436,279	11,598,459

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

	£	£
Net Cost of Services in Service Analysis		11,598,459
<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>
Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement		11,598,459
<i>Items included in Net Operating Expenditure excluded from Service Analysis:</i>		
Other Operating Expenditure	(402)	
Financing and Investment Income and Expenditure	1,337,397	
Surplus or Deficit on Discontinued Operations	0	
		<u>1,336,995</u>
Net Operating Expenditure per the Comprehensive Income and Expenditure Statement		12,935,454

BANBRIDGE DISTRICT 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 £
Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:					
Impairments (losses & reversals) of non-current assets	10a/b & 10d/e	0		0	
Derecognition (other than disposal) of non-current assets	10a/b & 10d/e	0		0	
Revaluation increases/decreases taken to Surplus/Deficit on the Provision of Services	10a/b & 10d/e	0		(1,416,588)	
Depreciation charged in the year on non-current assets	10a/10b,23	2,429,263	2,429,263	2,219,264	802,676
Net Revenue expenditure funded from capital under statute			0		0
Carrying amount of non current assets sold	10a/b & 10d/e	0		10,000	
Proceeds from the sale of PP&E, investment property and intangible assets	23,25	0	0	(10,402)	(402)
Difference between finance costs calculated on an accounting basis and finance costs calculated in accordance with statutory requirements	25		0		0
Net charges made for retirement benefits in accordance with IAS 19	20		1,515,000		1,414,000
Direct revenue financing of Capital Expenditure	11,25		(242,683)		(401,034)
Capital Grants and Donated Assets Receivable and Applied in year	9b		(292,943)		(378,462)
Capital Grants Receivable and Unapplied in year	9c		0		0
Rates Claw-Back Reserve	25a/25b		0		0
Adjustments in relation to Short-term compensated absences	17		(7,634)		14,685
Adjustments in relation to Lessor Arrangements			0		0
Landfill Regulations Reserve Adjustment	25a/25b		0		0
Provisions Discount Rate Reserve Adjustment	25a/25b		0		0
Amounts not included in the Comprehensive Income and Expenditure Statement but required by statute to be included when determining the Movement on the General Fund Balance for the year					
Statutory Provision for the financing of Capital Investment	25a/25b		(1,197,821)		(1,220,566)
Employers contributions payable to the NILGOSC and retirement benefits payable direct to pensioners	20a		(1,072,000)		(969,000)
			1,131,182		(738,103)

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

		2014/15 £	2014/15 £	2013/14 £	2013/14 £
Capital Fund					
Interest		0		0	
Other	25a/25b	0	0	0	0
Renewal and Repairs Fund					
Interest		0		0	
Other	25a/25b	0	0	0	0
Other Funds and earmarked reserves					
Interest		0		0	
Other	25a/25b	0	0	0	0
			0		0

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

Cost of Services on Continuing Operations

4a Miscellaneous powers to make payments

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

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

Limits on special payments are calculated by reference to section 40 of the Local Government Finance Act (Northern Ireland) 2011 and for this council the resulting limit was £26,087 for 2014/15 (£25,577 in 2013/14).

The Actual expenditure during 2014/15 amounted to £3,401 (£3,547 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	18,500	16,500
Grant Claim Certification Fees	0	0
Other Fees	0	0
	18,500	16,500

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).

BANBRIDGE DISTRICT 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 (Council as lessor)

The Council has leased out property to Banbridge District Enterprises Ltd on a finance lease with a remaining term of 93 years.

The present value of lease payments receivable under the finance lease arrangements is recognised as a receivable and included in both short and long term debtors. The difference between the gross amount receivable and the present value of the amounts receivable is recognised as unearned finance income.

	2015	2014
	£	£
Long Term Debtors		
Finance leases-gross receivables	120,962	121,867
Less-Unearned finance income	0	0
Less-Unguaranteed residual value of property	0	0
<i>Net present value</i>	120,962	121,867

Short Term Debtors		
Finance leases-gross receivables	904	898
Less-Unearned finance income	0	0
Less-Unguaranteed residual value of property	0	0
<i>Net present value</i>	904	898

Gross receivables from finance leases		
No later than 1 year	904	898
Later than 1 year and no later than 5 years	3,684	3,658
Later than 5 years	117,277	118,209
Total gross receivables	121,865	122,765
Less-Unearned future finance income on finance leases	0	0
Less-Unguaranteed residual value of property	0	0
Net investment in finance leases	121,865	122,765

The net investment in finance leases may be analysed as follows:

	2015	2014
	£	£
No later than 1 year	904	898
Later than 1 year and no later than 5 years	3,711	3,658
Later than 5 years	117,250	118,209
Total gross receivables	121,865	122,765

The unguaranteed residual values of the assets leased under finance leases at the end of the year are estimated at £nil (Previous year £nil)

The accumulated allowance for uncollectable minimum lease payments receivable is £nil (comparative year £nil)

No contingent rents were recognised as receivable by the Council.

The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The average interest rate contracted is approximately 0.73% (comparative year 0.73%)

5b Operating Leases (Council as lessor)

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

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

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £69,754 (previous year: £66,967). No contingent rents were recognised.

The lease contracts are all non-cancellable and do not include an extension option. The lease terms are between 1 and 8 years. Future minimum lease income is set out below; which do not include annual lease income for contracts in an extension period which are expected to generate an additional £40,474 in the next 12 months.

	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	20,160	0	37,504	0
Later than 1 year and no later than 5 years	62,400	0	66,960	0
Later than 5 years	31,200	0	46,800	0
	113,760	0	151,264	0

The assets leased by the Council to third parties are included in the following categories of Property, Plant and Equipment. Although only part of the asset may be within the lease agreement, the carrying values of the assets are as follows:

	2015		2014	
	Land and buildings	Vehicles, plant and equipment	Land and buildings	Vehicles, plant and equipment
	£	£	£	£
Cost	3,483,380	0	3,463,187	0
Accumulated depreciation and impairments at 1 April	(93,239)	0	(95,879)	0
Depreciation charge for the year	(191,294)	0	(189,118)	0
Impairments	0	0	(20,193)	0
Revaluation	65,266			
	3,264,113	0	3,157,997	0

Council as Lessee:

5c Finance Leases (Council as lessee)

A number of Council's vehicles are held under finance leases. The net carrying amount of the vehicles held under finance lease arrangements is £nil (2014 £15,000). The assets are included under Vehicles, Plant & Equipment which form an integral part of property, plant and equipment (see Note 10c-leased assets). The rentals paid for vehicles held under finance leases totalled £18,383 (2014 £25,616).

Furthermore, Council holds some equipment under Finance Leases. The net carrying amount of the equipment held under finance lease arrangements is £3,667 (2014 £8,663). The assets are included under Vehicles, Plant & Equipment which form an integral part of property, plant and equipment (see note 10c-leased assets). The rentals paid for equipment held under finance leases totalled £4,498 (2014 £6,594).

No contingent rentals were recognised as an expense in the Comprehensive Income and Expenditure Statement during the reporting period under review, and no future sub-lease income is expected to be received, as all assets are used exclusively by the council.

The lease agreements for the vehicles and equipment include fixed lease payments and a purchase option at the end of the respective lease terms. The agreements are non-cancellable but do 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
	£	£	£	£
2014/15				
Finance leases payments	7,198	2,134	0	9,332
Less: finance charges	(1,247)	(424)	0	(1,671)
Net present value	5,951	1,710	0	7,661
2013/14				
Finance leases payments	21,668	9,302	0	30,970
Less: finance charges	(3,442)	(1,641)	0	(5,083)
Net present value	18,226	7,661	0	25,887
2012/13				
Finance leases payments	28,899	26,544	0	55,443
Less: finance charges	(3,213)	(789)	0	(4,002)
Net present value	25,686	25,755	0	51,441

Included in the Balance Sheet as:

	2015	2014	2013
	£	£	£
Current liabilities	5,951	18,226	25,686
Long term liabilities	1,710	7,661	25,755
	7,661	25,887	51,441

5d Operating Leases (Council as lessee)

The Council does not have any operating leases.

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	0	0	0	0
Contingent rentals	0	0	0	0
Less: Sublease payments receivable	0	0	0	0
	0	0	0	0

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	0	0	0	0
Later than 1 year and no later than 5 years	0	0	0	0
Later than 5 years	0	0	0	0
	0	0	0	0

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

Cost of Services on Continuing Operations (Continued)

6 Employee Costs and Members' Allowances

6a Staff Costs

	2014/15	2013/14
	£	£
Salaries and wages	6,038,548	5,933,748
Employers National Insurance	389,034	401,167
Employers pension costs	1,009,370	940,028
Total	7,436,952	7,274,943

In addition, agency costs during the year amounted to £64,270 (2013/14 £30,629).

Transactions relating to Agency staff are included within salaries and wages in Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement.

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

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

	2014/15	2013/14
	FTE	FTE
Environmental services	91	91
Leisure services	79	75
Other	96	86
Total Number	266	252
	Actual Numbers	Actual Numbers
Full-time numbers employed	194	172
Part-time numbers employed	118	133
Total Number	312	305

6c Senior Employees' Remuneration

	2014/15	2013/14
£50,001 to £60,000	0	0
£60,001 to £70,000	2	2
£70,001 to £80,000	1	1
£80,001 to £90,000	0	0
£90,001 to £100,000	0	1
Total Number	3	4

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 £192,164 (2013/14 £257,268) before severance costs; and are as follows:

	2014/15	2013/14
	£	£
Salaries	0	0
Basic allowance	125,594	167,195
Mayor's & Deputy Mayor's Allowance	6,561	6,525
Special Responsibility Allowances	13,503	14,180
Dependents' carers allowance	1,149	1,661
Statutory Transition Committee Allowances	2,963	8,782
Employer costs	24,301	33,426
Mileage	0	0
Conferences and Courses	4,185	8,795
Travel & Subsistence Costs	13,908	16,704
Miscellaneous Costs	0	0
Severance Payments *	2,400	71,600
Total	194,564	328,868

* 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.

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

6e Exit Packages

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

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
£0 to £20,000	0	0	0	1	0	1	0	3,971
£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
Total	0	0	0	1	0	1	0	3,971

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

7 Other Operating Expenditure

7a Surplus/Deficit on Non-Current Assets (excl Investment Properties)

	2014/15	2013/14
	£	£
Proceeds from sale	0	(10,402)
Carrying amount of non-current assets sold (excl Investment Properties)	0	10,000
	0	(402)

7b Other Operating Income/Expenditure

	2014/15	2013/14
	£	£
Income	0	0
Expenditure	0	0
	0	0

Summary

Other Operating Gross Income	0	(402)
Other Operating Gross Expenditure	0	0

Summary of Other Operating expenditure:

	2014/15	2013/14
	£	£
Surplus/Deficit on Non-Current Assets	0	(402)
Other Operating Income/Expenditure	0	0
Total Other Operating expenditure	0	(402)

8 Financing and Investment Income and Expenditure

8a Interest Payable and Similar Charges

	2014/15	2013/14
	£	£
Lease/hire purchase interest	3,532	4,800
Bank interest	0	0
Loan Interest	1,068,638	1,104,355
Other interest (please specify)	0	0
	1,072,170	1,109,155

8b Interest and investment income

	2014/15	2013/14
	£	£
Bank interest	(3,130)	(8,148)
<i>Investment income on Fund Balances</i>		
Capital Fund	0	0
Repairs & Renewals Fund	0	0
Other Funds	0	0
Other Investment income	(5,493)	(28,610)
	(8,623)	(36,758)

8c Pensions interest costs

	2014/15	2013/14
	£	£
Net interest on the net defined benefit liability (asset)	233,000	265,000
	233,000	265,000

8d

Surplus/(Deficit) on trading operations

	2014/15	2013/14
	£	£
Income from trading	0	0
Expenditure	0	0
(Surplus)/Deficit for the year	0	0

8e Income, Expenditure and changes in Fair Value of Investment Properties

	2014/15	2013/14
Income/Expenditure from Investment Properties:	£	£
Income including rental income	0	0
Expenditure	0	0
De-recognition in relation to amounts written off	0	0
<i>Net income from investment properties</i>	0	0
Surplus/deficit on sale of Investment Properties:		
Proceeds from sale	0	0
Carrying amount of investment properties sold	0	0
<i>(Surplus)/deficit on sale of Investment Properties:</i>	0	0
Changes in Fair Value of Investment Properties		
	0	0
	0	0

Summary

Financing and Investment Gross Income	(8,623)	(36,758)
Financing and Investment Gross Expenditure	1,305,170	1,374,155

Summary of Financing and Investment Income and Expenditure:

	2014/15 £	2013/14 £
Interest Payable and Similar Charges	1,072,170	1,109,155
Interest and Investment Income	(8,623)	(36,758)
Pensions interest cost	233,000	265,000
Surplus/(Deficit) on trading operations	0	0
Changes in Fair Value of Investment Properties	0	0
Other investment income	0	0
Total Financing and Investment Income and Expenditure	1,296,547	1,337,397

	2014/15			2013/14		
	Gross Expenditure	Gross Income	Net Cost	Gross Expenditure	Gross Income	Net Cost
	£	£	£	£	£	£
Interest Payable and Similar Charges	1,072,170	0	1,072,170	1,109,155	0	1,109,155
Interest and Investment Income	0	8,623	(8,623)	0	36,758	(36,758)
Pensions interest cost	233,000	0	233,000	265,000	0	265,000
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
	1,305,170	8,623	1,296,547	1,374,155	36,758	1,337,397

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

9 Taxation and Non-Specific Grant Income

9a Revenue Grants

	2014/15	2013/14
	£	£
General	1,651,252	1,624,078
Other	0	0
Other	0	0
Other	0	0
	1,651,252	1,624,078

9b Capital Grants and Donated Assets-Applied

	2014/15	2013/14
	£	£
Government & Other Grants-Conditions met and applied in year	292,943	378,462
Government & Other Grants-Transfer from receipts in advance	0	0
Donated Assets-Conditions met	0	0
Donated Assets-Transfer from donated assets creditor	0	0
	292,943	378,462

9c Capital Grants-Unapplied

	2014/15	2013/14
	£	£
Government & Other Grants-Conditions met and not applied in year	0	0
Other	0	0
	0	0

9d District Rates

	2014/15	2013/14
	£	£
Current year	12,290,517	11,818,228
Finalisation - previous year	0	0
Transitional Relief	0	0
Finalisation - other years	0	0
	12,290,517	11,818,228

Summary of Taxation and Non-Specific Grant Income:

	2014/15	2013/14
	£	£
District Rates Income	12,290,517	11,818,228
Revenue Grants	1,651,252	1,624,078
Capital Grants and Contributions	292,943	378,462
Total Taxation and Non-Specific Grant Income	14,234,712	13,820,768

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

10a Long-Term Assets Note - Current Year

	Land		Buildings		Infrastructure Assets		Property, Plant & Equipment (PP&E)		Landfill Site		Vehicles, Plant & Equipment		Community Assets		PP&E Under Construction		Surplus Assets		Total PP&E		Investment Properties		Intangible Assets		TOTAL	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Cost or Valuation At 1 April 2014	5,277,905	30,988,623	0	0	0	0	0	5,927,265	0	0	0	0	0	0	0	99,702	1,128,837	43,422,332	0	10,000	0	0	0	0	0	43,432,332
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	5,277,905	30,988,623	0	0	0	0	5,927,265	0	0	0	0	0	0	0	0	99,702	1,128,837	43,422,332	0	10,000	0	0	0	0	0	43,432,332
Additions (Note 11)	0	1,708,402	0	0	0	0	467,438	0	0	0	0	0	0	0	0	62,369	0	2,238,229	0	0	0	0	0	0	0	2,238,229
Donations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation increases/decreases to Revaluation Reserve	0	1,263,003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,263,003	0	0	0	0	0	0	0	1,263,003
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Derecognition - Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Derecognition - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reclassifications & Transfers	0	162,091	0	0	0	0	0	0	0	0	0	0	0	0	0	(162,091)	0	0	0	0	0	0	0	0	0	0
Adjustment-Landfill Deferred Charge (Note 16)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2015	5,277,905	34,122,119	0	0	0	0	6,394,703	0	0	0	0	0	0	0	0	1,128,837	23,065	46,923,564	0	10,000	0	0	0	0	0	46,933,564
Depreciation and Impairment At 1 April 2014	0	1,674,497	0	0	0	0	4,749,779	0	0	0	0	0	0	0	0	0	23,065	6,447,341	0	0	0	0	0	0	0	6,447,341
Adjustments between cost/value & depreciation/impairment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted opening balance	0	1,674,497	0	0	0	0	4,749,779	0	0	0	0	0	0	0	0	0	23,065	6,447,341	0	0	0	0	0	0	0	6,447,341
Depreciation Charge	0	1,839,263	0	0	0	0	590,000	0	0	0	0	0	0	0	0	0	0	2,429,263	0	0	0	0	0	0	0	2,429,263
Depreciation written out on Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Derecognition - Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Derecognition - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reclassifications & Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Eliminated on reclassification to Held for Sale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2015	0	3,513,760	0	0	0	0	5,339,779	0	0	0	0	0	0	0	0	23,065	23,065	8,876,604	0	0	0	0	0	0	0	8,876,604
Net Book Value At 31 March 2015	5,277,905	30,608,359	0	0	0	0	1,054,924	0	0	0	0	0	0	0	0	99,702	1,105,772	38,046,560	0	10,000	0	0	0	0	0	38,056,560
At 31 March 2014	5,277,905	29,314,126	0	0	0	0	1,177,486	0	0	0	0	0	0	0	0	99,702	1,105,772	36,974,991	0	10,000	0	0	0	0	0	36,984,991

Intangible Assets

Banbridge Council also owns Intangible Assets which relate solely to market rights. The net book value of intangible assets at 31 March 2015 is £10,000 (2014 £10,000)

Heritage Assets

Heritage Assets intended to be preserved in trust for future generations because of their cultural, environmental or historic associations and held in pursuit of the overall objectives in relation to the maintenance of heritage are included on the balance sheet. The book values of Heritage assets total £1,089k (2014 £1,089k) and are not depreciated and relate to Art collections held at the FE McWilliam Gallery in Banbridge.

Investment properties

Additions in the year of £nil included amounts in relation to acquisitions of £nil and enhancements of £nil.

Reclassifications & Transfers includes £nil transferred from inventories during the year.

Valuations

The last valuation of freehold and leasehold properties was carried out as at 1 April 2013 by an independent valuer from Land and Property Services and subsequently revised through indexation exercises at each year-end. Please refer to note 1A(xix) for further information on revaluation and depreciation policies. Valuations for 31 March 2015 are based on indexation movements for the year by asset category.

Effects of Changes in Estimates

The remaining useful lives of assets were considered to be appropriate following last year's review and amendments.

Impairments

There were no impairment gains or losses during the year.

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

10b Long-Term Assets Note - Comparative Year

	Property, Plant & Equipment (PPE)										TOTAL
	Land	Buildings	Infrastructure Assets	Landfill Site	Vehicles, Plant & Equipment	Community Assets	PP&E Under Construction	Surplus Assets	Investment Properties	Intangible Assets	
	£	£	£	£	£	£	£	£	£	£	£
Cost or Valuation At 1 April 2013	6,270,087	24,666,611	0	0	5,605,385	0	0	1,100,433	0	10,000	37,652,516
Adjustments between cost/value & depreciation/impairment	0	(5,350,425)	0	0	0	0	0	(5,350,425)	0	0	(5,350,425)
Adjusted opening balance	6,270,087	19,316,186	0	0	5,605,385	0	0	1,100,433	0	10,000	32,302,091
Additions (Note 11)	0	527,343	0	0	536,993	0	99,702	0	0	0	1,164,038
Donations	0	0	0	0	0	0	0	0	0	0	0
Revaluation increases/decreases to Revaluation Reserve	1,248,017	7,507,422	0	0	0	0	0	21,289	0	0	8,774,728
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	(2,228,199)	3,637,672	0	0	0	0	0	7,115	0	0	1,416,588
Derogation - Disposals	(10,000)	0	0	0	(215,113)	0	0	0	0	0	(225,113)
Derogation - Other	0	0	0	0	0	0	0	0	0	0	0
Reclassifications & Transfers	0	0	0	0	0	0	0	0	0	0	0
Adjustment-Landfill Deferred Charge (Note 18)	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2014	5,277,905	30,988,623	0	0	5,927,285	0	99,702	1,128,837	0	10,000	43,432,332
Depreciation and Impairment At 1 April 2013	0	5,350,425	0	0	4,423,065	0	0	20,125	0	0	9,793,615
Adjustments between cost/value & depreciation/impairment	0	(5,350,425)	0	0	0	0	0	(5,350,425)	0	0	(5,350,425)
Adjusted opening balance	0	0	0	0	4,423,065	0	0	20,125	0	0	4,443,190
Depreciation Charge	0	1,674,497	0	0	541,827	0	0	2,940	0	0	2,219,264
Depreciation written out on Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0
Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0	0	0
Derogation - Disposals	0	0	0	0	(215,113)	0	0	0	0	0	(215,113)
Derogation - Other	0	0	0	0	0	0	0	0	0	0	0
Reclassifications & Transfers	0	0	0	0	0	0	0	0	0	0	0
Eliminated on reclassification to Held for Sale	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2014	0	1,674,497	0	0	4,749,779	0	0	23,065	0	0	6,447,341
Net Book Value At 31 March 2014	5,277,905	29,314,126	0	0	1,177,486	0	99,702	1,105,772	0	10,000	36,984,991
At 31 March 2013	6,270,087	19,316,186	0	0	1,182,320	0	0	1,080,308	0	10,000	27,858,901

Intangible Assets

Banbridge Council also owns Intangible Assets which relate solely to market rights. The net book value of intangible assets at 31 March 2014 is £10,000 (2013 £10,000)

Heritage Assets

Heritage Assets intended to be preserved in trust for future generations because of their cultural, environmental or historic associations and held in pursuit of the overall objectives in relation to the maintenance of heritage are included on the balance sheet. The book values of Heritage assets total £1,089k (2013 £1,089k) and are not depreciated and relate to Art collections held at the FE McWilliam Gallery in Banbridge.

Investment properties

Additions in the year of £nil included amounts in relation to acquisitions of £nil and enhancements of £nil.

Reclassifications & Transfers includes £nil transferred from inventories during the year.

Valuations

The last valuation of freehold and leasehold properties was carried out as at 1 April 2013 by an independent valuer from Land and Property Services and subsequently revised through an indexation exercise at 31 March 2014. Please refer to note 7A(xvii) for further information on revaluation and depreciation policies. Valuations for 31 March 2014 are based on indexation movements for the year by asset category.

Capital Commitments

Assets under construction include new build of a cycle hire facility at Scarva Visitors Centre.

Effects of Changes in Estimates

As part of the review of valuations noted above, a number of assets' remaining useful lives were reviewed and extended as a change in accounting estimates within the buildings category of property, plant & equipment.

Impairments

An impairment gain of £5,428k was reversed during the period as well as a loss of £4,010 (2012/2013 loss of £1,360k) in relation to Land and Buildings which had previously been revalued at lower than their original costs following an indexation exercise.

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

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

LEASED ASSETS (included within vehicles, plant and equipment)	Vehicles £	Equipment £	TOTAL £
Cost or Valuation			
At 1 April 2014	551,524	152,914	704,438
Additions	0	0	0
Disposals	0	0	0
At 31 March 2015	551,524	152,914	704,438
Depreciation			
At 1 April 2014	536,524	144,251	680,775
Disposals	0	0	0
Provided for year	15,000	4,997	19,997
At 31 March 2015	551,524	149,248	700,772
Net Book Value			
At 31 March 2015	0	3,666	3,666
At 31 March 2014	15,000	8,663	23,663

Comparative Year

LEASED ASSETS (included within vehicles, plant and equipment)	Vehicles £	Equipment £	TOTAL £
Cost or Valuation			
At 1 April 2013	551,524	152,914	704,438
Additions	0	0	0
Disposals	0	0	0
At 31 March 2014	551,524	152,914	704,438
Depreciation			
At 1 April 2013	521,524	139,255	660,779
Disposals	0	0	0
Provided for year	15,000	4,996	19,996
At 31 March 2014	536,524	144,251	680,775
Net Book Value			
At 31 March 2014	15,000	8,663	23,663
At 31 March 2013	30,000	13,659	43,659

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
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Heritage Assets

10d

Cost or Valuation	Ceramics £	Art Collection £	Pottery Machinery £	Total Assets £
At 1 April 2013	0	1,088,750	0	1,088,750
Additions	0	0	0	0
Disposals	0	0	0	0
Derecognition - Other	0	0	0	0
Revaluation Increases/(Decreases) to Revaluation Reserve	0	0	0	0
Revaluation Increases/(Decreases) to Surplus or Deficit on the Provision of Services	0	0	0	0
Impairment (Losses)/Reversals recognised in the Revaluation Reserve	0	0	0	0
Impairment (Losses)/Reversals recognised in Surplus or Deficit on the Provision of Services	0	0	0	0
At 31 March 2014	0	1,088,750	0	1,088,750
Cost or Valuation				
At 1 April 2014	0	1,088,750	0	1,088,750
Additions	0	0	0	0
Disposals	0	0	0	0
Derecognition - Other	0	0	0	0
Revaluation Increases/(Decreases) to Revaluation Reserve	0	0	0	0
Revaluation Increases/(Decreases) to Surplus or Deficit on the Provision of Services	0	0	0	0
Impairment (Losses)/Reversals recognised in the Revaluation Reserve	0	0	0	0
Impairment (Losses)/Reversals recognised in Surplus or Deficit on the Provision of Services	0	0	0	0
At 31 March 2015	0	1,088,750	0	1,088,750

Art Collection

The art collection includes Bronze Art Sculptures and Statues and sketches by local artist, FE McWilliam and is reported in the Balance Sheet at valuation as at March 2012. The valuation was carried out by Dickon Hall. The assets within the art collection are deemed to have indeterminate lives and a high residual value; hence the Authority does not consider it appropriate to charge depreciation.

Additions of Heritage Assets

Additions comprise::	£
Purchases at Auction of:	nil
Acquisitions made of:	nil
Donations from:	nil
Total Additions	0

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

10e Assets Held for Sale

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

Council is not currently seeking to dispose of any property or other assets that it no longer uses.

The gain/loss on assets classified to held for sale and sold during the year was £nil (2014 £nil)

Comparative Year

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

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

10f Investment Properties

The following items of income and expense have been recognised in the Comprehensive Income and Expenditure Statement:

	2014/15	2013/14
	£	£
Rental income from investment property	0	0
Direct operating expenses arising from investment property	0	0
Net gain/(loss)	0	0

10g Valuations

Council carried out indexation exercises using indices for 2014/15 provided by Land & Property Services. These indices indicated material changes in the value of some properties, reflecting the current market changes. A full valuation is carried out every five years with the last full valuation performed as at 1 April 2013. Note 1a (xviii) provides further information on revaluation and depreciation policies.

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

11 Capital Expenditure and Capital Financing

	2014/15	2013/14
	£	£
Opening Capital Financing Requirement	20,228,842	21,075,268
<i>Capital Investment</i>		
Property, Plant and Equipment	2,238,229	1,164,038
Investment Properties	0	0
Intangible Assets	0	0
Revenue Expenditure Funded from Capital under Statute	0	0
<i>Sources of Finance</i>		
Capital Receipts	0	(10,402)
Government Grants and Other Contributions	(292,943)	(378,462)
Transfers from Earmarked Reserves	(283,000)	0
<i>Sums set aside from Revenue:</i>		
Direct Revenue Contributions	(242,683)	(401,034)
Minimum Revenue Provision **	(1,197,821)	(1,220,566)
Closing Capital Financing Requirement	20,450,624	20,228,842

Explanation of Movements in Year		
Increase in underlying need to borrow	245,499	(846,426)
Assets acquired under finance leases	0	0
Assets acquired under PFI/PPP contracts	0	0
Increase/(decrease) in Capital Financing Requirement	245,499	(846,426)

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

12 Future Capital Commitments

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

	Gross Cost	Grant Aid	Net Cost
	£	£	£
Schemes underway	0	0	0
Other Commitments	997,000	0	997,000
Total	997,000	0	997,000

13 Inventories

	2014/15	2013/14	2012/13
	£	£	£
Central Stores	0	0	0
Other	81,954	60,693	83,186
Total	81,954	60,693	83,186

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

14 Debtors

	2014/15	2013/14
	£	£
14a Long Term Debtors		
*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	20,352	4,391
Grants	0	0
Loans and advances	0	0
Finance lease debtors-Note 5c)	0	0
Trade debtors	0	0
NIHE Loans	0	0
Other	120,963	121,867
Impairment of loans and receivables	0	0
Total Long-Term Debtors	141,315	126,258
14b Short Term Debtors		
*Government Departments	1,607,585	1,157,157
Other Councils	956,238	101,580
Public corporations and trading funds	0	0
Bodies external to general government	0	0
Employee car loans	13,377	6,768
Grants	0	0
Value Added Tax	469,449	142,167
Prepayments	22,647	39,394
Finance lease debtors-Note 5c)	0	0
Other	93,646	217,085
Trade receivables	238,488	7,666
Impairment loss - Trade receivables	(18,916)	(30,826)
Total Short-Term Debtors	3,382,514	1,640,991
Total Debtors	3,523,829	1,767,249

The large increase in debtors relates in the main to monies due to Banbridge as lead Council for the administration of the new Shadow Council along with significant grant funding due from Economic Development projects. VAT due is also fully recognised in the current year as the last year of Council.

**BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

15a Long-Term Investments

	2014/15	2013/14
	£	£
Investments - general	0	0
Investments - repairs and renewals	0	0
Investments - capital fund	0	0
Investments - other	0	0
Total Long-term Investments	0	0

Analysed over:

	2014/15	2013/14
	£	£
Money market deposits	0	0
Other deposits	0	0
Total Long-term Investments	0	0

15b Short-Term Investments

	2014/15	2013/14
	£	£
Investments - general	0	0
Investments - repairs and renewals	0	0
Investments - capital fund	0	0
Investments - other	0	0
Total Short-term Investments	0	0

Analysed over:

	2014/15	2013/14
	£	£
Money market deposits	0	0
Other deposits	0	0
Total Short-term Investments	0	0

Total Long Term and Short-term Investments **0** **0**

Council holds monies on behalf of Anderson Trust, a third party Coal Fund which Council administers and makes annual contribution to the charity on its behalf. These balances do not appear on Council's balance sheet. As at 31 March 2015 third party investments totalled £32,129 (2014 £32,561).

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

16a Short Term Borrowing

	2014/15	2013/14
	£	£
Loans re-payable within one year	1,889,403	933,334
Finance Lease Principal	5,951	18,226
Total Short Term Borrowing	1,895,354	951,560

16b Long Term Borrowing

	2014/15	2013/14
	£	£
Between 1 and 2 years	895,956	889,403
Between 2 and 5 years	2,447,363	2,566,546
Between 5 and 10 years	3,926,689	3,959,001
In more than 10 years	10,620,947	11,365,408
Government Loans Fund	17,890,955	18,780,358
Total Borrowing	19,786,309	19,731,916

Interest rates on Government Loans range between 1.62% and 15.75%.

17a Short Term Creditors

	2014/15	2013/14
	£	£
Government Departments	21,479	24,324
Other Councils	614,470	431,957
Public corporations and trading funds	0	0
Bodies external to general government	0	0
Rates clawback	0	0
Remuneration due to employees	21,060	20,029
Accumulated Absences	117,996	125,630
Receipts in advance	0	0
Trade creditors	0	0
Other	1,750,946	2,143,363
Total Short Term Creditors	2,525,951	2,745,303

17b 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
Total Long Term Creditors	0	0
Total Creditors	2,525,951	2,745,303

Payment of Invoices

The Council has a target of paying invoices within 30 days and keeps this performance under review with the aim to reduce the time taken to pay suppliers.

During the year Council paid approximately 6884 invoices (2013/14 - 6,001) totalling £11,124k (2013/2014 £8,362K and has calculated the following payment interval for the year as the time between receipt of the invoice by Council and the payment date.

Council paid 3,643 invoices (2013/2014 - 4,528) within 30 calendar days being 53 % of the total (2013/2014 - 75%) and 3,241 (47%) outside the 30 day target. (2013/2014 - 1,473 (25%))

Council paid 1,742 invoices (2013/2014 - 1,897) within 10 working days being 25% of the total (2013/2014 - 32%) and 5,142 (75%) outside the 10 day target (2013/2014 - 4,104 - (68%)).

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

18 Provisions

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

Current Provisions	0	0	0	0	0	0
Long Term Provisions	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Comparative Year

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

Current Provisions	0	0	0	0	0	0
Long Term Provisions	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
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19 Financial Instruments

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

Credit Risk

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

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

	£
Less than three months	£115,738
Three to six months	£51,672
Six months to one year	£32,979
More than one year	£38,099
	£238,488

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

Liquidity Risk

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

Market Risk

Interest rate risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings 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 £28,815,317, analysed as follows.

	£
Government Loans	28,815,317
Market Loans	0
Total	28,815,317

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

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

20 Retirement Benefits

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

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

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

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

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

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

	Note	2014/15	2013/14
		£	£
Net cost of services:			
Current service cost		1,282,000	1,149,000
Past service cost/(gain)		0	0
Gains and losses on settlements or curtailments		0	0
Net operating expenditure:			
Net Interest on net defined benefit Liability (asset)		233,000	265,000
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services		1,515,000	1,414,000
Movement in Reserves Statement:			
Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code		(1,515,000)	(1,414,000)
Actual amount charged against the general fund balance for pensions in the year:			
Employers' contributions payable to scheme		1,072,000	969,000

Net charge to the Comprehensive Income and Expenditure Statement		(443,000)	(445,000)
---	--	------------------	------------------

The service cost figures include an allowance for administration expenses of £16k.

Remeasurements recognised in Other Comprehensive Income and Expenditure

	Note	2014/15	2013/14
Liability gains/(losses) due to change in assumptions		(3,635,000)	463,000
Liability experience gains/(losses) arising in the year		110,000	(618,000)
Actuarial gains/(losses) on plan assets		2,181,000	765,000
Other - (if applicable)			
Total gains/(losses) recognised in Other Comprehensive Income and Expenditure		(1,344,000)	610,000

20c Assets and liabilities in relation to retirement benefits

Reconciliation of present value of the scheme liabilities:

	Note	2014/15	2013/14
		£	£
Balance as at 1 April		30,347,188	28,034,188
Current service cost		1,282,000	1,149,000
Interest cost		1,299,000	1,311,000
Contributions by members		336,000	305,000
Remeasurement (gains) and losses:			
- Actuarial gains/losses arising on liabilities from experience		(110,000)	618,000
- Actuarial gains/losses arising from demographic changes		0	(946,000)
- Actuarial gains/losses arising from changes in financial assumptions		3,635,000	483,000
- 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		(14,000)	(13,000)
Estimated benefits paid		(612,000)	(594,000)
Balance as at 31 March		36,163,188	30,347,188

Reconciliation of present value of the scheme assets:

	Note	2014/15	2013/14
		£	£
Balance as at 1 April		24,405,000	21,927,000
Interest Income		1,066,000	1,046,000
Contributions by members		336,000	305,000
Contributions by employer		1,058,000	956,000
Contributions in respect of unfunded benefits		14,000	13,000
Remeasurement gain/(loss)		2,181,000	765,000
Assets distributed on settlements	Page 71	0	0

Unfunded benefits paid		(14,000)	(13,000)
Benefits paid		(612,000)	(594,000)
Balance as at 31 March		28,434,000	24,405,000

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

The actual return on scheme assets in the year was a gain of £3.247m (2013/14 gain of £1.811m).

Fair Value of Plan Assets

	31/03/2015	31/03/2014	31/03/2013
	£	£	£
Equity investments	20,757,000	18,108,500	16,708,000
Bonds	3,469,000	2,928,500	2,500,000
Property	3,582,500	2,733,500	1,688,000
Cash	625,500	634,500	1,031,000
	28,434,000	24,405,000	21,927,000

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

The amounts included in the fair value of plan assets for property occupied by the Council was £nil (2014 £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	28,434,000	24,405,000	21,927,000
Present value of funded defined benefit obligation	(35,942,000)	(30,134,000)	(27,810,000)
Pension asset/(liability) of Funded Scheme	(7,508,000)	(5,729,000)	(5,883,000)
Present Value of unfunded defined benefit obligation	(220,000)	(212,000)	(224,188)
Other movement in the liability (asset) (if applicable)	0	0	0
Net asset/(liability) arising from the defined benefit obligation	(7,728,000)	(5,941,000)	(6,107,188)
<i>Amount in the Balance sheet:</i>			
Liabilities	(36,163,188)	(30,347,188)	(28,034,188)
Assets	28,434,000	24,405,000	21,927,000
Net Asset/(Liability)	(7,729,188)	(5,942,188)	(6,107,188)

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £7,729k has a substantial impact on the net worth of the Council as recorded in the Balance Sheet.

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

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

	31/03/2016	31/03/2016
	£	%
Projected current cost	1,355,000	85.1%
Net Interest on the net defined benefit liability (asset)	237,000	14.9%
Past service cost	0	0.0%
Gains and losses on settlements or curtailments	0	0.0%
	1,592,000	100.0%

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the council in the year to 31 March 2016 is £1.106m (2015 £1.007m). All future employer contributions will be made by the new Armagh City Banbridge & Craigavon Borough Council.

20e Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The Council's Fund liabilities have been assessed by Aon Hewitt Limited, an independent LG firm of actuaries. Estimates for the Council Fund are based on data pertaining to the latest full valuation of the LGPS funded benefits as at 31 March 2013 and of the unfunded benefits at 31 March 2015.

	2014/15	2013/14
Mortality assumptions:		
<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	1.90%	2.40%
Salary Increase Rate	3.40%	3.90%
Pension accounts revaluation rate	1.90%	n/a
Discount Rate	3.30%	4.30%
Take-up of option to convert annual pension into retirement lump sum:		
Service to April 2009	75%	75%
Service post April 2009	75%	75%

20f Pension Assumptions Sensitivity Analysis

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

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

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

Funded Pension Scheme Benefits

Discount Rate Assumption		
Adjustment to discount rate	+0.1% p.a.	-0.1% p.a.
Present value of the total obligation (£M)	35.209	36.690
% change in the present value of the total obligation	-2.0%	2.1%
Projected service cost (£M)	1.310	1.401
Approximate % change in projected service cost	-3.3%	3.4%
Rate of General Increase in Salaries		
Adjustment to salary increase rate	+0.1% p.a.	-0.1% p.a.
Present value of the total obligation (£M)	36.250	35.638
% change in the present value of the total obligation	0.9%	-0.8%
Projected service cost (£M)	1.355	1.355
Approximate % change in projected service cost	0.0%	0.0%
Rate of Increase to Pensions in Payment and Deferred Pension Assumption		
Adjustment to pension increase rate	+0.1% p.a.	-0.1% p.a.
Present value of the total obligation (£M)	36.437	35.454
% change in the present value of the total obligation	1.4%	-1.4%
Projected service cost (£M)	1.401	1.310
Approximate % change in projected service cost	3.4%	-3.3%
Post Retirement Mortality Assumption		
Adjustment to the mortality age rating assumption *	-1 Year	+1 Year
Present value of the total obligation (£M)	36.912	34.973
% change in the present value of the total obligation	2.7%	-2.7%
Projected service cost (£M)	1.401	1.309
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.

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

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

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

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

21 Donated Assets Account

	Note	2014/15	2013/14	2012/13
		£	£	£
Opening balance		0	0	0
Add: new donated assets received (condition of use not met)		0	0	0
Less: amounts released to the District Fund - Comprehensive Income and Expenditure Account (conditions met)		0	0	0
		0	0	0

Analysis of Donated Assets Account

The balance of the Donated Assets Account represents donations received that have yet to be recognised as income, as they have conditions attached to them, which will require the donated assets to be returned, if conditions are not met. Council does not have any such donated assets.

22 Capital Grants Received in Advance

	Note	2014/15	2013/14	2012/13
		£	£	£
Opening balance		0	0	0
Add: new capital grants received in advance (condition of use not met)		0	0	0
Less: amounts released to the Comprehensive Income and Expenditure Statement		0	0	0
		0	0	0

Analysis of Capital Grants Receipts in Advance Balance

The balance of Capital Grants Receipts in Advance represents grants received that have yet to be recognised as income, as they have conditions attached to them, which will require the grant to be repaid, if conditions are not met. Council does not have any such donated assets.

23 Contingencies

Council is unaware of any contingencies requiring noting.

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

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

	Notes	2014/15 £	2013/14 £
Adjustment to surplus or deficit on the provision of services for noncash movements			
Depreciation		2,429,263	2,219,264
Impairment & downward revaluations (& non-sale (Increase)/Decrease in Stock		0	(1,416,588)
(Increase)/Decrease in Debtors		(21,261)	22,493
Increase/(decrease) in impairment provision for bad debts		(1,743,647)	89,785
Increase/(Decrease) in Creditors		(11,910)	11,709
Increase/(Decrease) in Interest Creditors		(472,720)	325,986
Payments to NILGOSC		(1,401)	2,931
Carrying amount of non-current assets sold		443,000	445,000
AIC/WIP written off to Net Cost of Services		0	10,000
Contributions to Other Reserves/Provisions		0	0
Amounts posted to CIES from Donated Assets Account	21	0	0
		<u>621,324</u>	<u>1,710,580</u>
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities			
Purchase of short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		0	0
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		0	0
Proceeds from the sale of PP&E, investment property and intangible assets		0	(10,402)
Capital grants included in "Taxation & non-specific grant income"		(292,943)	(362,063)
		<u>(292,943)</u>	<u>(372,465)</u>

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

24b Cash and Cash Equivalents

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

	31/03/2015	31/03/2014	31/03/2013
	£	£	£
Cash and Bank balances	1,927,520	929,336	1,356,876
Short Term Investments (considered to be Cash Equivalents)	0	0	1,000,000
Short Term Deposits (considered to be Cash Equivalents)	0	3,011,911	0
Bank Overdraft	0	0	0
	<u>1,927,520</u>	<u>3,941,247</u>	<u>2,356,876</u>

24c Cash Flow Statement-Operating Activities

	2014/15	2013/14
	£	£
<i>The cash flows from operating activities include:</i>		
Interest received	9,977	35,563
	<u>0</u>	<u>0</u>
Interest paid	<u>1,070,921</u>	<u>1,109,285</u>

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

24d Cash flows from Investing Activities

	2014/15 £	2013/14 £
Purchase of PP&E, investment property and intangible assets	1,984,483	1,058,977
Purchase of Short Term Investments (not considered to be cash equivalents)	0	0
Purchase of Long Term Investments	0	0
Other Payments for Investing Activities	0	0
Proceeds from the sale of PP&E, investment property and intangible assets	0	(10,402)
Proceeds from Short Term Investments (not considered to be cash equivalents)	0	(1,000,000)
Proceeds from Long Term Investments	0	0
Capital Grants and Contributions Received	(292,943)	(362,063)
Other Receipts from Investing Activities	0	0
Net Cash flows from Investing Activities	<u>1,691,540</u>	<u>(313,488)</u>

	2014/15 £	2013/14 £
24e Cash flows from Financing Activities		
Cash Receipts from Short and Long Term Borrowing	1,000,000	0
Other Receipts from Financing Activities	0	0
Cash payments for the reduction of the outstanding liability relating to a finance lease and on-Balance Sheet PFI contracts	(18,226)	(25,554)
Repayment of Short and Long Term Borrowing	(933,334)	(926,992)
Other payments for Financing Activities	0	0
Net Cash flows from Financing Activities	<u>48,440</u>	<u>(952,546)</u>

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

5a Analysis of Movement on Reserves - Current Year

	USABLE RESERVES				UNUSABLE RESERVES										TOTAL AUTHORITY RESERVES				
	Capital Receipts Reserve	Capital Grants Unapplied Account	Capital Fund	Reversal & Repairs Fund	Other Balances and Reserves (Election Reserve)	General Fund	TOTAL USABLE RESERVES	Capital Adjustment Account	Financial Instruments Adjustment Account	Revaluation Reserve	Available for Sale Financial Instruments Reserve	Pensions Reserve	Deferred Capital Receipts Account	Accumulated Absences Account		Discount Rate Reserve	Provisions Reserve	Landfill Regulations Reserve	TOTAL UNUSABLE RESERVES
At 1 April 2014	24a	25b	26c	26d	26e	26f	3,838,770	26g	0	0	0	26h	26i	26j	26k	0	0	0	15,413,860
Movements during the year:																			
Applied Capital Grants		3, 21, 23					(292,943)	292,943											292,943
Unapplied Capital Grants received in year		0					0	0											0
Unapplied Capital Grants transferred to CAA in year		0					0	0											0
Direct Revenue Financing		3, 11					(242,683)	242,683											242,683
Depreciation & Impairment adjustment		3					2,429,283	(2,429,283)											(2,429,283)
Statutory Provision for financing Capital Investment		3					(1,187,821)	1,187,821											1,187,821
Net Revenue expenditure funded from capital under estimate		3, 11					0	0											0
Surplus/(Deficit) on the Provision of Services							(699,008)	0											(699,008)
Transfers between Statutory and Other Reserves and the General Fund							0	0											0
Net movements on Pension Reserve		3, 20					443,000	0					(443,000)						0
Disposal of Fixed Assets/Capital Sales		3, 10, 23					0	0											0
Capital Receipts used to finance capital expenditure		3, 11					0	0											0
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements							(7,834)	0						7,834					7,834
Revaluation & Impairment		10, 20					0	0						1,263,003					(1,263,003)
Other Movements							0	672,152						(672,152)					0
Transfers between Capital Fund/Renewal & Repair Fund & CAA to finance capital expenditure		11					(283,000)	283,000											283,000
Total movements on reserves during the year (Change in Net Worth)							443,174	299,336						890,851					(929,179)
At 31 March 2015							3,787,683	7,707,392						10,907,894					14,835,935

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

15b Analysis of Movement on Reserves - Comparative Year

	USABLE RESERVES				UNUSABLE RESERVES										TOTAL AUTHORITY RESERVES	
	Capital Receipts Reserve	Capital Grants Unapplied Account	Capital Fund Renewal & Repairs Fund	Other Balances and Reserves (e.g. Election Reserve)	General Fund	TOTAL USABLE RESERVES	Capital Adjustment Account	Financial Instruments Adjustment Account	Revaluation Reserve	Available for Sale Financial Instruments Reserve	Pensions Reserve	Deferred Capital Receipts Account	Accumulated Absences Account	Provisions Discount Rate Reserve		Landfill Regulations Reserve
Note	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
At 1 April 2013	266	266	266	266	266	3,491,566	259	0	264	264	264	264	264	0	0	5,145,818
Accounting Policy Changes - Retrospective Adjustments	0	0	668,040	613,482	2,010,046	3,491,566	5,601,782	0	2,270,821	0	(8,107,188)	0	(110,845)	0	0	1,854,250
At 1 April 2013	0	0	668,040	613,482	2,010,046	3,491,566	5,601,782	0	2,270,821	0	(8,107,188)	0	(110,845)	0	0	1,854,250
Movements during the year:																
Applied Capital Grants					(378,482)	(378,482)	378,482									378,482
Unapplied Capital Grants received in year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unapplied Capital Grants transferred to CAA in year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Direct Revenue Financing					(401,034)	(401,034)	401,034									401,034
Depreciation & Impairment adjustment					802,878	802,878	(802,878)									(802,878)
Loans/lease principal repayments					(1,220,588)	(1,220,588)	1,220,588									1,220,588
Net Revenue expenditure funded from capital under statute					0	0	0									0
Surplus/(Deficit) on the Provision of Services					885,314	885,314	0									885,314
Transfers between Statutory and Other Reserves and the General Fund			0	0	0	0	0									0
Net movements on Pension Reserve					445,000	445,000	(445,000)				(445,000)					0
Disposal of Fixed Assets/Capital Sales	10,402				(402)	10,000	(10,000)									(445,000)
Capital Receipts used to finance capital expenditure						(10,402)	10,402									(10,000)
Difference between finance and other costs and income calculated on an accounting basis and finance costs calculated in accordance with statutory requirements					14,885	14,885	0						(14,885)			0
Revaluation & Impairment					0	0	0									0
Other Movements					0	0	648,566		(648,566)							0
Transfers between Capital Fund/Reserve & Repair Fund & CAA to finance capital expenditure			0	0	0	0	0									0
Total movements on reserves during the year (Change in Net Worth)	0	0	0	0	1,672,211	1,672,211	1,846,264	0	8,128,222	0	188,000	0	(14,885)	0	0	10,122,231
At 31 March 2014	0	0	668,040	813,482	2,197,257	3,838,779	7,448,056	0	10,298,843	0	(5,842,188)	0	(125,830)	0	0	11,777,051

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
Usable Reserves
FOR THE YEAR ENDED 31 MARCH 2015

26a Capital Receipts Reserve

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

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

26b Capital Grants Unapplied account

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

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

26c Capital Fund

This fund was established under section 56 of the Local Government Act (NI) 1972, however this section of the act was repealed under the Local Government Finance Act (Northern Ireland) 2011. At the year end £385k was ear-marked for the following specific purposes within the Fund under the 2011 Act.

	£
General Capital acquisitions	385,000
	0
Total	385,000

26d Renewal and Repairs Fund

This fund was established under section 56 of the Local Government Act (NI) 1972, however this section of the act was repealed under the Local Government Finance Act (Northern Ireland) 2011. At the year end, no monies were set aside in this fund.

26e Earmarked Reserves

These reserves include the Election Fund, Repairs & Renewals Fund and other specified funds.

Other Earmarked Reserves are for various projects to which Council has committed spend prior to Local Government Reform in 2015 including various repairs and renewals expenditure.

26f 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.

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
Unusable Reserves
FOR THE YEAR ENDED 31 MARCH 2015

26g 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.

26h 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.

26i Available-for-Sale Financial Instruments Adjustment Reserve

Council does not have any transactions in relation to this Reserve

26j Pension Reserve

Refer to note 20.

26k 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.

26l 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

**BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015**

27 Significant Trading Operations

Council has no significant trading operation in the year.

BANBRIDGE DISTRICT COUNCIL
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28 Agency Services

Council does not provide any Agency Services to outside bodies.

BANBRIDGE DISTRICT COUNCIL
Notes to the Financial Statements
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29 Related Party Transactions

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

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

The Council paid £177,540 (2013/14 £167,053) to a number of organisations in which Councillors and Council officers had an interest, of which £1,948 was outstanding at 31 March 2015 (31 March 2014 £6,198). These grants were made with proper consideration of declaration of interests and include the following:

Citizen's Advice Bureau £97,800, Banbridge District Enterprises Ltd £20,059, Banbridge District Arts Committee £17,885, Banbridge District Sports Association £22,134, Banbridge District Twinning Association £5,640, Banbridge Performing Arts £1,605, Banbridge Community Regeneration Ltd £4,082 and Youth Action NI £10,000.

The Council provides administration support to a number of related organisations. During 2014/15, the Council reported income of £32,744 (2013/2014 £31,627) from the following organisations - of which £1,800 was outstanding at 31 March 2015 (£1,800, 2013).

Banbridge Enterprise Centre Annual Rental £26,000 Banbridge District Enterprise Ltd lease £1,800, Banbridge District Arts Committee £782 and Banbridge District Sports Association £4,162.

During 2014/15 the Council had expenditure of £286,767 with other Councils, Joint Committees and related organisations (2013/2014 £67,115). During the year ending March 2015 the Council received £245,560 from these organisations (2013/2014 £81,307). Details of amounts outstanding at 31 March 2015 are set out in notes 14 and 17.

In order to facilitate cash flow, during the year Council borrowed £1m from Craigavon Borough Council, with whom it merged with on 1 April 2015 to form a new Council. This was done at competitive market rates with the loan arrangement terminated at year end.

Banbridge District Enterprises Limited

The Council have entered into a 99 year lease agreement with Banbridge District Enterprises Limited, whereby Banbridge District Enterprises Limited pay rental for the use of land belonging to Banbridge District Council at Rathfriland Enterprise Centre. Details of the lease are included at note 5a.

DISCLOSURE ON JOINT COMMITTEES

Rural Development Programme

Down Rural Area Partnership Joint Committee is the delivery mechanism for the Northern Ireland Rural Development programme (NIRDP). It comprises the Council area of Banbridge, Down, North Down and Ards. The Northern Ireland Rural Development Programme is funded by the European Agricultural Fund for Rural Development and the Department of Agriculture and Rural Development (DARD). Ards District Council acts as the Administrative Council with responsibility for all financial and administrative matters. Ards District Council administers the payments and income for the Joint Committee but these transactions are not reflected in Ards District Council's accounts. Instead they are reflected in Down Rural Area Partnership 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.

Waste Bodies

The Council is a member of the SWAMP2008 Joint Committee which was established for the purpose of managing waste. During the year the Council advanced £27,297 (2013/14 £25,639) towards funding the expenditure of the Joint Committee. The Joint Committee is a partnership of eight councils established to collaborate in implementing management facilities which would be cost effective to the public. Total expenditure by the Committee for the year was £309,066 (2013/14 £328,079). The Joint Committee accounts for its funding by the provision of a statement of accounts which is prepared under the Local Government (Northern Ireland) Order 2005 and subject to statutory audit by a local government auditor.

Peace III

Banbridge District Council participates in PEACE III Southern Partnership Statutory Joint Committee. Under this arrangement Peace III and INTERREG IVA funding is available from the Special EU Programmes Body. The Council is part of this Joint Committee with Armagh City & District Council, Craigavon Borough Council and Newry & Mourne District Council. Newry & Mourne District Council administers the payments and income for the Joint Committee, but these transactions are not reflected in PEACE III Southern Partnership Statutory 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.

Statutory Transition Committee

The Armagh Banbridge and Craigavon Statutory Transition Committee was formed pursuant to the powers conferred by the Local Government (STC) Regulations (NI) 2013 to oversee the initial implementation of the introduction of the new Council. It comprises the Council areas of Armagh, Banbridge and Craigavon. Banbridge contributions to the STC costs were £101,736.

Banbridge District Council acts as the lead Council for the Committee with responsibility for all financial and administrative matters.

The transactions are not reflected in Banbridge District Council's accounts, but are reflected in the Armagh, Banbridge and Craigavon Statutory Transition 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.

Central Government

The Northern Ireland Assembly exerts significant influence through legislation and grant funding,

BANBRIDGE DISTRICT COUNCIL
Financial Statements
FOR THE YEAR ENDED 31 MARCH 2015

Accounts Authorised for the Issue Certificate

In accordance with International Accounting Standard 10, Events after the Balance Sheet Date, this Statement of Accounts which contains a number of material amendments from the Accounts approved on 25 June 2015 is at today's date hereby authorised for issue. Any material amendments will be explained and reported in accordance with Regulation 12 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006

IAS 10 sets out

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

The material amendments were as follows

2014-2015

- 1 Both Income and Expenditure were overstated by £1,419,249 in respect of Statutory Transition Committee and Shadow Council costs which were initially not excluded;
- 2 A net increase in creditors of £299,215 as a result of under/ over recognition of accruals; and
- 3 A net increase of £263,292 to Cash and Cash Equivalents. Of this £340,832 related to transfer from bank to creditors and £77,540 of postings which not been processed to the bank account

The above adjustments have resulted in the Comprehensive Income and Expenditure Statement surplus decreasing by £21,006 and the balance sheet net worth decreasing by £21,006.

Signed


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Chief Financial Officer

Date

26 October 2015
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