

Moyle District Council

ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31 MARCH 2008

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Explanatory Foreword

Introduction

The Council's financial performance for the year ended 31 March 2008 is as set out in the following pages and consists of the following main schedules:

- District Fund - Income and Expenditure Account – the Council's main revenue account covering income and expenditure on all services.
- Statement of Movement on the District Fund Balance
- Statement of Total Recognised Gains and Losses for the year
- The Balance Sheet – the Council's assets and liabilities and financial position as at 31st March 2008
- Cash Flow Statement – inflows and outflows of cash arising from transactions for both revenue and capital purposes

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (SORP) and the Department of the Environment Accounts Direction, Circular LG 05/08 dated 20th March 2008.

The Council has reported a surplus of £60,522 for the year ended 31 March 2008. A summary of the income and expenditure reported by the Council with a comparison to the estimates for the year can be seen in the table below.

	Actual (07/08)	Estimated (07/08)	Variance (07/08)
	£	£	£
Expenditure	7,294,079	7,087,549	206,530
Income from Services	2,789,199	2,451,764	(337,435)
Net Cost	4,504,880	4,635,785	(130,905)
Financed By:			
Balance applied	0	100,000	100,000
General Grant	783,615	753,616	(29,999)
District Rates	3,781,787	3,782,169	382
Surplus/(Deficit)	60,522	0	60,522

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For the year ended 31 March 2008 the Council increased its District Fund reserve by £60,522 to £988,775. The Council's budget of £3.78m was supplemented by an additional general grant of £30k. Income received was £337k greater than estimated, whereas expenditure was £207k over budget. The net effect of the increase in both income and expenditure resulted in £60k surplus.

The total net expenditure reported in the District Fund - Income and Expenditure Account is £4.62m and includes allocations of £350k to the Single Status Fund. Whilst Single Status negotiations are ongoing, it is unknown at this stage the full cost of implementation.

Total Expenditure on capital projects during the year amounted to £693k. (£1.5mn – 2007) The most significant spend was on Millenium Footbridge Bushmills £135k, Cushendall Coastal Development £104k, Vehicles plant and equipment £105k, Purchase of Bushmills Library £91k, Waterfoot village improvements £58k, Quay Road development £50k and Mosside playing fields £33k. Grants to the value of £241,859 were receivable during the financial year to fund certain items of capital expenditure. (£750,767 – 2007)

The total amount outstanding on Government loans at 31 March was £8,605,170 (£7,843,152 – 2007), with advances taken during the year amounting to £1,039,530. The cost of servicing these Government loans during the year was £816,837.

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Certificate of the Chief Financial Officer

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2008 on pages 19 to 50 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 23 to 31.
- (b) in my opinion the Statement of Accounts presents fairly the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.


.....
Chief Financial Officer

23 June 2008
.....
Date

Council Approval of Statement of Accounts

These accounts were approved by resolution of the Council on 23 June 2008.


.....
Chairman

23 June 2008
.....
Date

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

The Council's Responsibilities

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

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

These accounts were approved by Moyle District Council on Monday 23rd June 2008

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 present fairly the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

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

- observe the Accounts Direction issued by the Department of the Environment including compliance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (SORP) as amended and augmented from time to time.
- follow relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis.
- 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.
- take reasonable steps for the prevention and detection of fraud and other irregularities.

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ANNUAL GOVERNANCE STATEMENT 2007-2008

Scope of responsibility

Moyle District Council (The Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiency 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, and which includes arrangements for the management of risk.

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

The purpose of the governance framework

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

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives

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and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

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

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

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

Moyle District Council intends to fully comply with the requirements of the "Delivering Good Governance: Framework" by 1 April 2009, but has made progress towards that as set out below. Of the eleven statements the Council fully complied with 1,2,3,5,8,9 of the statements for the full financial year and intends to comply with statements 4,6,7,10,11 by 31 March 2009.

The governance framework

Moyle District Council has been working to comply with those systems of Governance Arrangements identified in the Governance Framework. The statements below describe the key elements of the systems and processes that comprise the authority's governance arrangements.

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

Council has produced a Corporate Plan for the period 2005-2009, which sets out Councils purpose and core values. The preparation of this plan included workshops for both Councillors and Senior Officers, (with employees being asked to submit their ideas/thoughts suggestions) with the final Plan being agreed by Council on November 2005. This has been issued to all Senior Managers (Strategic Management Team) and all Councillors. All staff have access to the Plan through Council's intranet, and the Plan is also available through Council's internet, to community and business networks and also the ratepayers of Moyle. A press release also coincided with the launch of the plan.

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

Council's corporate plan will be reviewed in Autumn 2008. The Corporate Plan for 2009-2011 will be produced by March 2009. This review will involve a wide range of stakeholders both internal and external. As part of this process for developing the Corporate Plan, governance arrangements will be reviewed.

The annual performance report of how council is progressing on the Corporate Plan 2005-2009 will be prepared and presented to Council in the Autumn, as preparations are made for the future Corporate Plan 2009-2011. The Corporate Plan helps the Council focus on the future, it sets out the values the Council wants to create in the District and the key issues that the Council intends to focus on over the next three years. Over the

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past year considerable effort has taken place to develop and implement the key elements of an annual assurance framework including:-

- Implementing risk management.
- Developing business planning and related performance reporting arrangements.
- Review of the risk based audits prepared by internal audit.

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

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

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

Currently roles and responsibilities of Senior Officers are defined by job description and procedures are documented in internal policies and procedures.

Delegation arrangements are authorised by Council

There is currently no formal communication plan or strategy within Moyle. It is anticipated that this Plan and Strategy will be developed by 1 April 2009, which will set out clear mechanisms and objectives for both internal and external communication.

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Externally Council communicates with wider stakeholders through the Council Website, Newsletter (Moyle Matters) and through press and media releases. Internal communication systems include Councils intranet and a mixture of formal and informal team meetings

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

Codes of Conduct of Members

Council has adopted the Northern Ireland Code of Local Government Conduct (April 2003) prepared by DOE for the guidance of Councillors. Councillors are required by law on accepting office to affirm that they have read and will be guided by the Code.

In terms of travel and subsistence claims, Councillors are required to complete a claim form (submitted by receipts as appropriate) and sign a declaration regarding their claim. Member's allowances are updated on a monthly basis and this information is available on Councils website.

Declarations of interest are minuted at Council Meetings.

Codes of Conduct for Officers

Council has adopted the "Code of Conduct for Local Government Officers (1998)", prepared by the Local Government Staff Commission. Officers are given a copy of their Code on taking up appointment and failure to adhere to it is a disciplinary offence. Officers are also issued with terms and conditions of employment on commencing employment with the Council, and would be advised of various policies and procedures on induction. Existing members of staff have access to these documents on the intranet. New policies and procedures are brought to the attention of staff and are also available via the Councils intranet system.

A register of gifts and hospitality is maintained by the Administration Department and this is updated after when relevant information is provided by a member of staff.

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The induction process for all new staff includes a detailed explanation of specific policies on staff conduct, including travelling and subsistence expenses, disciplinary and grievance policies and procedures, absence and sickness reporting, Data Protection, Freedom of Information, Equality and Good Relations and Health and Safety at Work.

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

- * Purchasing Policy and Procedures
- * Capital Expenditure and Economic Appraisal Policy
- * Whistleblowing Policy
- * Gifts and Hospitality Policy
- * Risk Management Strategy
- * Complaints Policy and Procedures
- * IT Policies and Procedures
- * Equal Opportunities Policy
- * Harassment Policy and Procedures
- * Health and Safety Policy
- * Mobile Phone Policy
- * Attendance at Work Policy
- * Further Education and Study Policy

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

While Moyle District Council does not operate a system of standing orders, it does have a robust system of internal financial control in place including:-

- administration procedures (including segregation of duties)
- management supervision
- corporate and budgetary planning
- preparation of regular financial reports which indicate actual expenditure against forecasts
- programme of capital expenditure with clearly defined guidelines.

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A comprehensive review of the financial instructions detailing the procedure for procurement and payment for goods and services were last reviewed in November 2004, and a detailed policy was subsequently introduced. Further supporting notes/manuals and procedures will be in place by 1 April 2009

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

Moyle District Council does not operate a committee system, with all business being conducted at full council meeting. The Council therefore currently does not have an Audit committee. However, a Governance and Working Group will be established during the 2008-09 financial year. This group will be representative of full council and it is anticipated that it will meet quarterly. 2008-09 will therefore be the first year of operation. The internal auditor and Local Government Auditor will be invited to attend.

The internal audit function for Moyle District Council is provided by an HELM Corporation. This contract was tendered in May 2006 for a 3 year period.

During the 2007-08 year a number of internal audits were carried out.

Various aspects of operating activities are sampled and examined to ensure the appropriate legislation, policies and procedures are adhered to and expenditure is lawful. Internal audit reports included award of assurance levels and recommendations for improvement are made. These finalised audit reports will be presented to the Governance and Audit Committee in September 2008, when the Audit Committee is due to meet.

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

The Strategic Management Team meets three times per month and the above items would be discussed. Other methods of communication include membership of officer networks, circulation of statements and documents and informal meetings on an ad-hoc basis.

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Internal policies and procedures are updated and renewed as and when required to reflect legislative changes and agreed recommendations by both Internal and External Auditors and are circulated to the relevant staff when reviewed. Internal Policies and Procedures would also be available on the Staff Intranet.

In terms of lawful expenditure, special council meetings are held annually to discuss the proposals for the Estimates for the forthcoming year. As part of this process, actual expenditure for the previous year is examined and analysed, and future spending proposals are discussed in detail. Internal audit and Local Government Annual reports are also examined and discussed at these meetings. Council are issued with a detailed booklet which forms the basis for discussion and decision making at the meetings. These booklets include a report detailing the main areas of increase for the forthcoming year and a Capital schedule which shows projects which have been identified, along with financing costs in terms of loan repayments. In terms of revenue expenditure the booklets set out each budget centre for the Council and show a breakdown of the anticipated expenditure for each service for the forthcoming year. When the estimates are agreed, Council and Senior Officers are issued with the finalised booklets. All expenditure is therefore agreed by full council at the time of the Estimates, prior to being incurred. Any other unforeseen expenditure which arises during the year receives Council approval prior to being incurred, unless in exceptional circumstances where the approval may be retrospective. Council would be advised of these circumstances as soon as reasonable practical.

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

Council agreed a Whistle-Blowing policy in December 2005, which was subsequently issued to all staff. A copy is included in the Staff Induction Pack and also available on the Staff Intranet

Council also operates a scheme for public complaints and suggestions. These are referred to the relevant department and responded to within set deadlines, with the opportunity to have complaints referred to a higher level in the organisation where the complaint is not satisfied with the response.

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

A training needs assessment for Councillors and Senior Officers will be introduced by 1 April 2009. There is no formal system currently in place, regarding development needs. All conferences, courses and training are circulated to Councillors through the fortnightly meetings. Each Councillor has an allocated amount of money set aside for conferences and courses and for 2008-09 this was £1300. This covers course fees, travel and subsistence. This is monitored on a monthly basis to ensure the budget is not exceeded. In terms of senior officers some work has commenced in this area. A comprehensive review was carried out in 2007 and as a result key senior officers received specific training. Line Managers and Supervisors identify training needs on an ongoing basis and staff would be requested to attend training. Council also have implemented a further education and study policy as part of our progress in this area. Other progress includes Corporate Wide training in terms of Health and Safety Training to all members of staff, and Risk Assessment Training to key staff in the various service areas. Council also intend to introduce Training Course Evaluation Forms whilst further developing our Training and Development Policy.

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

Council publishes two bulletins annually called Moyle Matters. These are distributed to all households within the Council area, and further copies are available on request. A range of leaflets and publications are also available in public buildings across the Council area. The internet also provides information on services, council meetings, council minutes and the “Contact us” section on the webpage allows for enquiries, feedback or complaints to be submitted electronically.

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Review of effectiveness

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

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

Significant governance issues

A number of steps have been taken to date to deal with governance issues.

- 1 Risk Management Strategy has been agreed, adopted and circulated.
2. Corporate Risk Register is in place.
3. Heads of Service to assume responsibility of ensuring that the operational risk registers are completed for their areas of operation
4. Chief Executive to ensure that the Corporate Risk Register is reviewed annually.
5. Risk Management shall be a standing item in the Senior Management Team meetings.
6. Proposal to set up a Governance and Audit Working Group in June 2008.
7. Preparatory work has commenced in order to fully comply with The Corporate Manslaughter and Corporate Homicide Act 2007. All employees have now received Chartered Institute of Environmental Health (CIEH) Level 2 training in Health and Safety and nominated officers have received CIEH Level 3 Training in Risk Awareness. Work is ongoing to ensure full compliance with the Act and the completion of formal risk registers is a priority for the incoming year.

Moyle District Council will continue to develop an Annual Governance Statement which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance*, and which is in full compliance with the Framework for the year commencing 1 April 2009. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were

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identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: *William Graham*..... Chairman

Date ...*23 June 2008*..

Signed.....*[Signature]*..... Chief Executive

Date*23 June 2008*.....

On behalf of the committee of the local government body or the members of the body meeting as a whole and by the Chief Executive

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOYLE DISTRICT COUNCIL

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

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

Respective responsibilities of the Chief Financial Officer and the independent auditor

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

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

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

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

I read other information published with the statement of accounts and consider whether it is consistent with the audited statement of accounts. This other information comprises only the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the statement of accounts. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Local Government (Northern Ireland) Order 2005, the Local Government Code of Audit Practice issued by the Chief Local Government Auditor and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the

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statement of accounts. It also includes an assessment of the significant estimates and judgments made by the local government body in the preparation of the statement of accounts, and of whether the accounting policies are appropriate to the local government body's circumstances, consistently applied and adequately disclosed.

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

Opinion

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

Certificate

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

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

Stephen Knox

Date:

30th October 2008

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District Fund - Income and Expenditure Account for the year ended 31 March 2008

	<i>Notes</i>	Gross Expenditure	2007/08 Gross Income	Net Expenditure/ Income	2006/07 Net Expenditure/ Income
		£	£	£	£
Services Expenditure					
Leisure and Recreational Services		2,645,220	1,596,782	1,048,438	1,002,464
Environmental Services		2,592,472	397,775	2,194,697	2,138,722
Democratic Representation and Management and Corporate Management		929,129	3,864	925,265	590,997
Other Services		1,178,654	719,706	458,950	476,219
Continuing operations		7,345,475	2,718,127	4,627,350	4,208,402
Acquired operations		0	0	0	0
Discontinued operations		0	0	0	0
Exceptional items not included in cost of specific services		0	0	0	0
Net cost of services		7,345,475	2,718,127	4,627,350	4,208,402
Gain or loss on disposal of fixed assets	23		1,352	(1,352)	(7,828)
Surplus/(Deficit) of trading or other operations		0	0	0	0
Interest payable and similar charges including gains or losses on the repurchase or early resettlement of borrowings	6a)	546,173	0	546,173	522,863
Interest and Investment Income	6b)	0	71,072	(71,072)	(52,290)
Pensions interest cost and expected return on pensions assets		0	0	0	0
Extraordinary Items		0	0	0	0
Net Operating Expenditure		7,891,648	2,790,551	5,101,099	4,671,147
Income from General Grant and District Rates					
General Grant		0		(783,615)	(702,588)
District Rates	8	0		(3,781,787)	(3,532,024)
(Surplus)/Deficit for the year				535,697	436,535

Statement of Movement on the District Fund Balance for the year ended 31 March 2008

	<i>Notes</i>	2007/08 £	2006/07 £
(Surplus)/Deficit for the year on the District Fund - Income and Expenditure Account	3	535,697	436,535
Net additional amount required by statute and non-statutory proper practices to be debited or credited to the District Fund Balance for the year	3	(596,219)	(581,357)
Movement on the District Fund Balance for the year	3/23	(60,522)	(144,822)
District Fund Balance Brought Forward	23	(928,255)	(783,433)
District Fund Balance Carried Forward	23	(988,777)	(928,255)

Statement of Total Recognised Gains and Losses for the year ended 31 March 2008

	<i>Notes</i>	2007/08 £	2007/08 £	2006/07 £	2006/07 £
(Surplus)/Deficit on the District Fund - Income and Expenditure Account for the year	3		535,697		436,535
Surplus/(Deficit) arising on revaluation of fixed assets	10				
Surplus/(Deficit) arising on revaluation of available-for-sale financial assets			0		0
Revaluation of pension reserve/provision					
Any other gains and losses required to be included in the Statement of Total Recognised Gains and Losses					
Other			0		3,000
Total recognised gains and losses for the year (Change in Net Worth)			535,697		439,535
Prior period adjustments made during the year (as explained in note X)			0		0
Total gains/(losses) recognised since last annual report (Change in Net Worth)			535,697		439,535

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Balance Sheet as at 31 March 2008

	Notes	2007/08 £	2006/07 £
FIXED ASSETS			
Intangible Assets	10	0	0
Tangible Fixed Assets			
<i>Operational Assets:</i>			
Land & Buildings	10	26,271,250	26,923,712
Infrastructure Assets	10	22,561	16,794
Community Assets	10	18,687	18,687
Vehicles, Plant, Furniture and Equipment	10	478,028	522,094
<i>Non-Operational Assets:</i>			
Investment Properties			
Assets under Construction	10	571,864	374,434
Surplus Assets held for Disposal			
TOTAL FIXED ASSETS	10	27,362,390	27,855,721
Long Term Investments			
Long Term Debtors	14a	143,674	146,978
TOTAL LONG TERM ASSETS		27,506,064	28,002,699
CURRENT ASSETS			
Stocks	13	153,458	124,105
Debtors	14b	556,064	841,502
Short Term Investments	15/22a	1,927,746	832,866
Cash and Bank	22a	1,828	1,349
		2,639,096	1,799,822
CURRENT LIABILITIES			
Borrowing repayable on demand or within 12 months	16	295,978	264,586
Creditors	16	234,619	177,802
Bank Overdraft		117,790	338,126
		648,387	780,514
TOTAL ASSETS LESS CURRENT LIABILITIES		29,496,773	29,022,007
LONG TERM LIABILITIES			
Borrowing repayable within a period in excess of 12 months	17	8,309,192	7,578,566
Deferred Liabilities		0	0
Government Grants – deferred	20	5,878,761	5,948,925
Provisions	19	450,000	100,000
		14,637,953	13,627,491
NET ASSETS		14,858,820	15,394,516
RESERVES:			
Capital Adjustment Account	23	13,378,791	13,969,290
Financial Instruments Adjustment Account	23	0	0
Revaluation Reserve	23	0	0
Available-for-sale Financial Instruments Reserve	23	0	0
Pensions Reserve	23	0	0
Capital Receipts Reserve	23	484,795	484,795
Capital Fund	23	0	0
Renewal and Repairs Fund	23	0	0
Other Balances and Reserves	23	6,457	12,177
District Fund	23	988,777	928,254
Net Worth		14,858,820	15,394,516

Cash Flow Statement as at 31 March 2008

	<i>Notes</i>		2007/08 £		2006/07 £
REVENUE ACTIVITIES					
Net Cash Inflow from Operating Activities	21		1,243,553		1,498,437
Returns on Investments and Servicing of Finance					
Cash Outflows					
Interest paid		(539,325)		(520,546)	
Interest element of finance lease payments		0		0	
Cash Inflows					
Interest received		71,072		52,290	
Net Cash Outflow from Returns on Investments and Servicing of Finance			(468,253)		(468,256)
CAPITAL ACTIVITIES					
Cash Outflows					
Purchase of fixed assets		(678,327)		(1,537,166)	
Purchase of long term investments		0		0	
Other capital cash payments		0		0	
Cash Inflows					
Sale of fixed assets		9,200		7,828	
Capital Grants received	22d(i)	447,504		765,635	
Other capital cash receipts			(221,623)	0	(763,703)
Net Cash Outflow from Capital Expenditure before Financing			553,677		266,477
Management of Liquid Resources					
Net increase/decrease in short term deposits		0		0	
Net increase/decrease in other liquid resources		0		0	
			0		0
FINANCING					
Cash Outflows					
Repayment of amounts borrowed	22c	(277,512)		(209,836)	
Capital element of finance lease rental payments	22c	0			
Cash Inflows					
New loans raised	22c	1,039,530		295,594	
New short term loans				0	
			762,018		85,758
Increase/(Decrease) in Cash and Cash Equivalents	22a		1,315,695		352,235

Notes to the Financial Statements

1. Accounting Policies

1a) General Principles

The financial statements have been prepared under the historical cost convention, modified by the revaluation of land and buildings, and are in accordance with directions and guidance contained in the '*Code of Practice on Local Authority Accounting in the United Kingdom 2007: A Statement of Recommended Practice*' (SORP) and in a form directed by the Department of the Environment in accordance with regulations 4 (1) and (2) in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006. The general principles adopted in compiling and presenting the financial statements are those specified within the 2007 SORP. The 2007 SORP is based on approved accounting standards for the preparation of financial statements for the financial year beginning 1 April 2007. These financial statements comply with accounting standards issued or adopted by the Accounting Standards Board insofar as these are applicable to local government.

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

The District Fund - Income and Expenditure Account on page 18 has been prepared using the requirements of the Best Value Accounting Code of Practice.

1b) Accounting Concepts

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

Relevance

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

Reliability

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

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existence of assets, liabilities, income and expenditure then prudence has been used as a basis to inform the selection and application of accounting policies and estimation techniques.

Comparability

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

Understandability

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

Materiality

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

Accruals

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

1c) Fixed Assets

i) Intangible Assets

An intangible item meets the definition of an asset when access to the future economic benefits that it represents is controlled by the reporting entity, either through custody or legal protection. Purchased intangible assets are capitalised as assets at cost. Internally developed intangible assets have only been capitalised where there is a readily ascertainable market value.

FRS 10 permits revaluation of intangible assets that have a readily ascertainable market value. Intangible assets are amortised on a systematic basis over their economic lives. If access to the economic benefits associated with an intangible asset has been achieved through legal rights that have been granted for a finite period, the economic life does not extend beyond that period unless the legal rights are renewable and renewal is assured. The useful economic lives of intangible assets are reviewed at the end of each reporting period and revised where necessary. In amortising an intangible asset, a residual value has been assigned to the asset only where such residual value can be reliably measured. A straight-line amortisation method has been used as it is deemed to be the most appropriate in the circumstances for this authority.

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With any gain or loss on disposal of intangible assets, the disposal proceeds are credited to the District Fund and the net book value credited to fixed assets and debited to the District fund. In order to comply with statutory/proper practices restrictions on the use of capital receipts, if the asset disposed of was carried at historical cost, it is necessary to reverse out the gain or loss credited or debited to the District Fund with an amount equal to the gain or loss on disposal of the fixed asset, as follows:

- credit the Capital Receipts Reserve of an amount equal to the disposal proceeds
- debit the Capital Adjustment Account of an amount equal to the carrying amount of the fixed asset disposal.

The gain or loss on disposal of the intangible asset is a reconciling item in the Statement of Movement on the General Fund Balance. If, in exceptional circumstances the intangible asset disposed of was carried at current value, in addition to the entries mentioned above the balance on the Revaluation Reserve in respect of the asset disposal should be written off to the Capital Adjustment Account.

ii) Tangible Assets

From 1 April 2007 the Fixed Asset Restatement Account and the Capital Financing Account have been replaced by a Revaluation Reserve and a Capital Adjustment Account respectively. This is a change of accounting policy but has not required a prior year adjustment. This new requirement has been applied prospectively, and the 2006/07 comparative figures restated. The Revaluation Reserve at 31 March 2007 is shown as £nil. The balance on the Capital Adjustment Account is shown as the combined total of the old Fixed Asset Restatement Account and the old Capital Financing Account.

All expenditure on the acquisition, creation or enhancement of tangible fixed assets is capitalised on an accruals basis in accordance with Financial Reporting Standard 15 Tangible Fixed Assets (FRS 15). The Council applies a de-minimis level of £500 to all fixed assets (on an individual asset basis), meaning only assets over £500 are capitalised. Expenditure on the acquisition of a tangible asset, or expenditure which adds to, and not merely maintains, the value of an existing asset, is capitalised and classified as a tangible fixed asset, provided that it yields benefits to the Council and the services it provides are for a period of more than one year. Assets acquired on terms meeting the definition of a finance lease are capitalised and included together with a liability to pay future rentals. If a fixed asset is acquired for other than a cash consideration or if payment is deferred, the asset is recognised and included in the Balance Sheet at fair value.

All fixed assets are initially capitalised at cost, but only those costs that are directly attributable to bringing the asset into working condition for its intended use. Fixed assets are included in the Balance Sheet as follows:

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

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- Infrastructure assets and community assets are included in the Balance Sheet at historical cost, net of depreciation, where appropriate
- Investment properties and assets that are surplus to requirements and held for disposal are included at the lower of net current replacement cost or net realisable value. In the case of investment properties, net realisable value will normally be market value.
- Other non-operational assets, such as assets under construction, are included at historical cost.

If an asset is included at current value, it will formally be revalued, by either a qualified external or internal valuer, at intervals of not more than five years. The revised amount will then be included in the Balance Sheet.

If a fixed asset is included in the Balance Sheet at current value, the increase over the previous carrying amount at which that asset was included in the Balance Sheet immediately prior to the latest (re-)valuation will be credited to the Statement of Total Recognised Gains and Losses and taken to the Revaluation Reserve except to the extent it reverses revaluation losses (after adjusting for depreciation) on the same asset that were previously recognised in the District Fund, when it should be recognised in the District Fund. If, on revaluation, there has been a decrease over the previous carrying amount an impairment loss has occurred. If the loss has been occasioned by clear consumption of economic benefits, any such loss will be recognised in the District Fund. The amount of the decrease in value not associated with a clear consumption of economic benefit will be recognised in the Statement of Total Recognised Gains and Losses until the asset's carrying amount reaches its depreciated historical cost and taken to the Revaluation Reserve and thereafter in the District Fund.

If a fixed asset is acquired under a finance lease, at the inception of the lease the amount to be recorded both as an asset and as a liability will be the present value of the minimum lease payments derived by discounting them at the interest rate implicit in the lease (minimum lease payments and the interest rate implicit in the lease are defined in paragraphs 20 and 24 of SSAP 21).

A review for impairment of a fixed asset whether carried at historical cost or valuation should be carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If no such events or changes in circumstances are identified, and there are no other indications that a tangible fixed asset has become impaired, there is no requirement for an impairment review. Impairment will therefore be a relatively infrequent addition to depreciation. Tangible fixed assets other than non-depreciable land should be reviewed at the end of each reporting period for impairment when either:

- no depreciation charge is made on the grounds that it would be immaterial (either because of the length of the estimated remaining useful life or because the estimated residual value of the fixed asset is not materially different from the carrying amount of the asset), or
- the estimated remaining useful life of the fixed asset exceeds 50 years.

If an impairment loss on a tangible fixed asset carried at historical cost caused by a clear consumption of economic benefit occurs, it will be written down for the impairment and the impairment loss should be recognised in the District Fund.

With any gain or loss on disposal of tangible assets, the disposal proceeds are credited to the District Fund and the net book value credited to fixed assets and debited to the District fund. In order to comply with statutory/proper practices restrictions on the use of capital receipts, if the asset disposed of was at carried at historical cost, then it is necessary to:

reverse out the gain or loss credited or debited to the District Fund with an amount equal to the gain or loss on disposal of the tangible fixed asset, as follows:

- credit the Capital Receipts Reserve of an amount equal to the disposal proceeds
- debit the Capital Adjustment Account of an amount equal to the carrying amount of the fixed asset disposal.

The gain or loss on disposal of the tangible asset should be a reconciling item in the Statement of Movement on the General Fund Balance. If, in exceptional circumstances the tangible asset disposed of was carried at current value, in addition to the entries mentioned above the balance on the Revaluation Reserve in respect of the asset disposal should be written off to the Capital Adjustment Account.

In accordance with FRS 15, depreciation has been provided for on all tangible fixed assets with a finite useful life, which can be determined at the time of acquisition or revaluation. Assets under construction are not depreciated until completed but they may nevertheless suffer impairment. Surplus assets held for sale are depreciated under FRS 15. Provision for depreciation has been calculated using the straight line method by allocating the cost (or revalued amount) less estimated residual value of the assets evenly to the periods expected to benefit from their use.

The useful lives of assets are estimated on a realistic basis, reviewed regularly and, if necessary, revised. If the useful life of a fixed asset is revised, the carrying amount of the fixed asset will be depreciated over the revised remaining useful life. Freehold land (both operational and non-operational) is not depreciated. Depreciation is based on the amount at which the asset is included in the Balance Sheet, whether at net current replacement cost or historical cost.

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

- buildings, installations, and fittings are depreciated on their historic value over the estimated remaining life of the asset as advised by the valuer. Depending on the type of building, installation or fitting the maximum useful life will be in the range of 3 to 50 years

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- plant, vehicles and equipment (excluding IT equipment) are depreciated on historic cost using an asset life of between 5-15 years. IT equipment is depreciated using a standard life of 3-4 years
- intangible assets are amortised over the estimated lives of the assets
- a full year's depreciation is charged in the year of acquisition and none in the year of disposal.

District Fund service revenue accounts, as defined in CIPFA's *Best Value Accounting Code of Practice*, central support services and trading accounts are charged with depreciation and where required, any related impairment loss (due to a clear consumption of economic benefits), for all fixed assets used in the provision of the service. This includes surplus assets held for disposal.

In respect of all gains and losses resulting from revaluations, the Statement of Total Recognised Gains and Losses and therefore Revaluation Reserve should be:

- credited with revaluation gains, except to the extent that they reverse previous revaluation losses (after allowing for depreciation) on the same asset that were charged to the District Fund
- debited with revaluation losses not associated with an impairment related to a clear consumption of economic benefit up to the balance on the Revaluation Reserve in respect of that asset.

The District Fund should be:

- credited with any revaluation gains that reverse revaluation losses (after allowing for depreciation) on the same asset that were charged to services
- debited with revaluation losses associated with an impairment related to a clear consumption of economic benefit
- debited with revaluation losses not associated with a clear consumption of economic benefit in excess of the balance on the Revaluation Reserve in respect of that asset (i.e. in excess of the amount allowed to be debited to the Statement of Total Recognised Gains and Losses).

Assets held under finance leases are capitalised at the fair value of the asset with an equivalent liability categorised under deferred liabilities in the Balance Sheet. The asset is depreciated on its current fair value over the shorter of the lease term and its useful economic life. Rentals under operating leases are charged to the District Fund - Income and Expenditure Account in the year in which they arise.

Any grant contribution towards the purchase of a fixed asset is taken to the deferred grants account in the Balance Sheet. The balance is then written-off to the District Fund over the useful life of the asset.

1d) Debtors and Creditors

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

A general provision for doubtful debts is included in the financial statements at 3% of commercial outstanding debts. This is in addition to the specific provision for those debts that are identifiable as potentially not fully collectable. Provisions in respect of bad debts have been estimated in accordance with recommended practice and past experience. Uncollectable debts are only written-off to the District Fund - Income and Expenditure Account after all recovery avenues open to the Council have been exhausted and the district council has formally approved the write-off.

1e) Stocks

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

1f) 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.

1g) Provisions

Provisions for liabilities have been established in accordance with Financial Reporting Standard 12 Provisions, Contingent Liabilities and Assets (FRS 12). These are sums set aside for liabilities which will probably occur.

1h) Overheads

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

1i) Pensions

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

Councils in Northern Ireland contribute to the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) scheme. It is a multi-employer defined benefit scheme, which is treated as a defined contribution scheme under Financial Reporting Standard 17 Retirement Benefits (FRS17). This scheme provides the relevant information within its own accounts. The Council provides further information on discretionary benefits awarded to employees. The Council's contribution rate is determined by NILGOSC's actuary every three years and is set to maintain the solvency of the fund. The Council's current contribution is 13%. At the last actuarial valuation, dated 31 March 2007, the Fund's assets as a whole were sufficient to meet 89% (2004: 85%) of the liabilities accrued up to that date.

1j) Post Balance Sheet Events

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

There are no material post balance sheet events to report in these financial statements.

1k) Foreign Currency Translation

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

1l) Financial Instruments

The accounting treatment of a financial instrument (i.e. how its subsequent carrying value is measured and gains and losses recognised) depends on its classification on initial recognition.

Financial liabilities are recognised in the balance sheet under amortised cost using the effective interest rate method and financing costs and the gain or loss on de-recognition are both taken to the District Fund.

There are currently two types of financial assets:

- i) loans and receivables e.g. non-equity and non-derivative financial assets are recognised in the balance sheet under amortised cost using the effective interest rate method and interest receivable, impairment losses and the gain or loss on de-recognition are taken to the District Fund

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- ii) available-for-sale assets e.g. equity investments are carried at fair value on the Balance Sheet. Interest receivable and dividend income, impairments and the gain or loss on de-recognition are taken to the District Fund. Gains and losses arising from changes in fair value (except impairment) are taken to the Statement of Total Recognised Gains and Losses. The effective interest rate method is used to determine interest income.

1m) Landfill Allowances

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 and there are no financial penalties for 2007/08 on an individual district council for exceeding its target. 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.

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

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

3 Analysis of the Movement on the District Fund Balance

	<i>Notes</i>	2007/08 £	2007/08 £	2006/07 £	2006/07 £
(Surplus)/Deficit for the year on the District Fund - Income and Expenditure Account	21		535,697		436,535
<i>Net additional amount required by statute and non-statutory proper practices to be debited or credited to the District Fund Balance for the year:</i>					
Transfer to Capital Financing Account:					
Direct revenue financing of Capital Expenditure	11,23		0		6,000
Deferred grants amortised in the year	20,21,23		312,025		328,817
Loans fund principal/depreciation adjustment:					
Depreciation charged in the year	10,21	(1,178,083)		(1,136,698)	
Loans fund principal repayments during the year		274,208		206,696	
	23		(903,875)		(930,002)
Transfers to/from earmarked reserves:					
Capital Fund					
Renewal and Repairs Fund					
Pension Reserve					
Other Reserve	24f		(5,720)		6,000
Gain/(loss) on disposal of fixed assets	21,23		1,352		7,828
Difference in Finance costs			0		0
Difference in Pension costs			0		0
Net adjustments to Income & Expenditure Account			(596,218)		(581,357)
Movement on the District Fund Balance for the year	23		(60,521)		(144,822)
District Fund Balance Brought Forward	23		(928,254)		(783,432)
District Fund Balance Carried Forward	23		(988,775)		(928,254)

4. Operating Expenses

- 4a) Section 115** of the Local Government Act (Northern Ireland) 1972 enables Councils to spend up to the aggregate of the product of 0.0596p in the pound on the rateable value of non-domestic hereditaments, and the product of a rate of 0.00082p in the pound on the rateable value of domestic hereditaments for the benefit of all the inhabitants in their district, or part of their district, on activities not specifically authorised by other powers. This amounted to £9,275 in 2007/08 (2006/07 £9,350).

There was no such expenditure in 2007/08.

- 4b) Section 115c Expenditure** as required by Article 41 of the Local Government (Miscellaneous Provisions) (Northern Ireland) Order 1992 requires Councils to maintain a separate record of its expenditure on publicity. This is analysed as follows:

	2007/08	2006/07
	£	£
Promoting tourism	23,299	25,213
Promoting leisure facilities	1,078	999
Community relations	0	0
Refuse collection	0	0
Other advertising	<u>1,227</u>	<u>3,047</u>
	<u>25,604</u>	<u>29,259</u>

- 4c) External Audit Fees**

	2007/08	2006/07
	£	£
External Audit Fees	15,000	16,000
Grant Fees	1,000	0
Other Fees	<u>0</u>	<u>0</u>
	<u>16,000</u>	<u>16,000</u>

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

5. Employee Costs and Members' Allowances

5a) Staff Costs

	2007/08	2006/07
	£	£
Salaries and wages	3,016,339	2,886,135
Employers National Insurance	195,784	192,123
Employers pension costs	249,931	205,894
	3,462,054	3,284,152

In addition, agency costs during the year amounted to £14,198 (2006/07 £11,581).

5b) Average Number of Employees - where FTE represents fulltime equivalent employees

	2007/08	2006/07
	FTE	FTE
Technical services	44	44
Leisure services	24	24
Other	49	47
	117	115
	Actual Numbers	Actual Numbers
Full-time numbers employed	<u>109</u>	<u>112</u>
Part-time numbers employed	<u>25</u>	<u>14</u>
	<u>134</u>	<u>126</u>

5c) Senior Employees' Remuneration

	2007/08	2006/07
	Number	Number
£50,001 to £60,000	0	0
£60,001 to £70,000	0	0
£70,001 to £80,000	1	1
£80,001 to £90,000	<u>0</u>	<u>0</u>
	<u>1</u>	<u>1</u>

5d) Members' Allowances

During the year Members' allowances (section 36), including Employer's costs, totalled £226,912 (2006/07 £180,378) and are as follows:

	2007/08	2006/07
	£	£
Basic Allowance	140,915	99,843
Special Responsibility Allowances	0	0
Employer's Costs	12,927	7,552
Miscellaneous	<u>73,070</u>	<u>72,983</u>
	<u>226,912</u>	<u>180,378</u>

6a) Interest Payable and Similar Charges

	2007/08	2006/07
	£	£
Loan Interest	546,173	522,863
Bank Interest	0	0
Other Interest (please specify)	<u>0</u>	<u>0</u>
	546,173	522,863

6b) Interest and Investment Income

	2007/08	2006/07
	£	£
Current account interest		
Short-term deposit interest	59,879	40,678
Other interest	<u>11,194</u>	<u>11,612</u>
	<u>71,073</u>	<u>52,290</u>

7. Related Party Transactions

Financial Reporting Standard 8 Related Party Disclosures (FRS 8) requires the Council to disclose all material related party transactions arising during the year. Related parties including Joint Committees are bodies or individuals that have the potential to control or influence the Council or be controlled or influenced by the Council. Disclosing these types of transactions in financial statements permits readers to assess the extent to which the Council might have constrained its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council. Transactions with related parties not disclosed elsewhere in these financial statements are set out below.

Councillors have direct control over the Council's financial and operating policies. In the 2007/08 financial year the Council commissioned no works and services from companies in which Councillors had an interest.

The Council also paid grants of £81,396 to a number of organisations in which Councillors and Council officers had an interest. These grants were made with proper consideration of declaration of interests.

The Council provides administration support to a number of related organisations. During 2007/08, the Council reported income of £196,558 from these organisations of which £79,235 was outstanding at 31 March 2008.

During 2007/08 the Council had expenditure of £547,270 to other councils and £7,517 received from other councils, of which none was outstanding at 31 March 2008. These amounts mainly related to services provided.

8. District Rates

	2007/08	2006/07
	£	£
Current Year	3,782,169	3,475,535
Prior year finalisation (actual)	(382)	56,489
	<u>3,781,787</u>	<u>3,532,024</u>

Since year end Council have been advised of final rates income for 2007/08 of £22,061.73. This has not been included in these financial statements.

9. Significant Trading Operations

The Council operates a significant trading operation at The Giants Causeway. The financial results are as follows:

	2007/08	2006/07
	£	£
Income from trading	1,126,387	939,233
Expenditure	<u>754,674</u>	<u>660,979</u>
Surplus/(Deficit) for the year	<u>371,713</u>	<u>278,254</u>

Giants Causeway Visitors Centre

Moyle District Council and the National Trust have been working together during the year to progress the redevelopment of the GCVC. Council considered various options regarding the re-development and it was agreed to enter into formal negotiations with the National Trust, and subject to successful negotiations, to grant a lease for the GCVC to the National Trust. Based on Council's guiding principles which are public ownership and no cost to rate payers, substantive discussions have taken place among representatives of the Council, National Trust and the respective legal teams. As a result of these negotiations, Council approved a Heads of Terms agreement to the National Trust on Monday 9th June 2008. The Heads of Terms contain the essential elements of the final Lease to the National Trust which will involve further discussion and final agreement by council.

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10. a) Fixed Assets

	Intangible Assets £	Land £	Buildings £	Infrastructure Assets £	Community Assets £	Vehicles & Equipment £	Assets Under Construction £	Non- Operational £	TOTAL £
Cost or Valuation									
At 1 April 2007	0	8,916,504	20,505,897	72,400	18,687	1,533,143		480,866	31,527,497
Revaluation	0			0	0			0	
Additions (Note 11)	0	18,600	464,640	13,573	0	104,790		90,998	692,601
Transfers	0			0	0			0	
Disposals (Note 23)	0			0	0	90,882		0	90,882
At 31 March 2008	0	8,935,104	20,970,537	85,973	18,687	1,547,051		571,864	32,129,216
Depreciation									
At 1 April 2007	0	0	2,605,121	55,606	0	1,011,050		0	3,671,777
Revaluation	0	0		0	0			0	
Disposals (Note 23)	0	0		0	0	83,034		0	83,034
Provided for year	0	0	1,029,270	7,806	0	141,006		0	1,178,083
At 31 March 2008	0	0	3,634,391	63,412	0	1,069,022		0	4,766,826
Net Book Value									
At 31 March 2008	0	8,935,104	17,336,146	22,561	18,687	478,028		571,864	27,362,390
At 31 March 2007	0	8,916,504	17,900,776	16,794	18,687	522,087		480,866	27,855,714

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

The last valuation of freehold and leasehold properties was carried out as at 1 April 2003 by an independent valuer from the Valuation and Lands Agency (VLA).

11. Capital Expenditure

	Note	2007/08	2006/07
Expenditure		£	£
Capital Expenditure	10	692,601	1,537,166
Financed By			
Borrowings:			
Loans	22[c]	1,039,530	295,594
Finance leases	23[c]	0	0
Grants receivable	20	241,859	750,767
Capital receipts	23	9,200	7,828
Revenue contributions to capital	3,23	0	6,000
(Surplus)/Deficit		(597,988)	476,977
Balance at 1 April 2007		1,524,476	1,047,499
At 31 March 2008		<u>926,488</u>	<u>1,524,476</u>

The financing of capital expenditure has been completed on an accruals basis.

The Council plans to finance this deficit by applying funds from the sale of fixed assets, these transactions are due to be completed during the 2008/09 year.

12. Future Capital Commitments

The Council has future capital commitments for 2008/09 as described below.

Playground enhancements	£200,000
Sheskburn Recreation centre enhancements	£100,000
Replacement vehicles	£178,000
Issue of brown bins	£112,000
DDA works	£360,000

Council has approved the above schemes and completion is expected in most projects by March 2009.

13. Stock

	2007/08	2006/07
	£	£
Central Stores	43,896	34,642
Other	<u>109,561</u>	<u>89,463</u>
Total	<u>153,457</u>	<u>124,105</u>

14. Debtors

	2007/08	2006/07
	£	£
a) Long Term Debtors: <i>amounts falling due in more than one year</i>	143,674	146,978
Employee car loans	0	0
b) Debtors: <i>amounts falling due in less than one year</i>		
Government Departments	136,045	205,493
Other Councils	0	0
Value Added Tax	84,499	147,860
Payments in advance	16,118	14,706
Other	326,674	480,010
less: provision for doubtful debts	(7,273)	(6,567)
	<u>556,063</u>	<u>841,502</u>
Total debtors	<u>699,737</u>	<u>988,480</u>

The decrease in debtors relates to the completion of several grant funded projects and fewer capital projects being undertaken during the year.

15. Short-Term Investments

	2007/08	2006/07
	£	£
Bank deposits - general		
Bank deposits - repairs and renewals		
Bank deposits - capital fund		
Bank deposits - other		
Total Short-Term Investments	0	0

	2007/08	2006/07
	£	£
Money market deposits	1,927,746	832,866
Current account deposits		
Total Short-Term Investments	1,927,746	832,866

16. Creditors

	2007/08	2006/07
	£	£
Amounts falling due in less than one year		
Government Departments	23,555	16,000
Other Councils	35,781	0
Receipts in advance	4,263	33,903
Trade Creditors	77,563	
Other	<u>93,457</u>	<u>0</u>
	234,619	177,802
Borrowing re-payable within one year	295,977	<u>264,586</u>
Total creditors	<u>530,596</u>	<u>442,388</u>

17. Borrowing Re-Payable within a Period in Excess of One Year

	2007/08	2006/07
	£	£
Borrowing repayable within a period in excess of 1 year	8,309,193	7,578,566
Borrowing analysed by Maturity dates of loans		
Maturing within 1 year	3,374	13,912
Maturing between 1 and 2 years	26,910	9,900
Maturing between 2 and 5 years	181,934	223,119
Maturing between 5 and 10 years	587,074	447,062
Maturing in more than 10 years	7,805,878	7,149,159
Government Loans Fund	8,605,170	7,843,152

Interest rates on Government Loans range between 4.24% and 13.25%.

18. 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	53,499
Three to six months	2,029
Six months to one year	13,717
More than one year	29,446
	98,691

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 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

Moyle District Council

have no material exposure to loss arising from movements in exchange rates.

19. Provisions

The provision relates to the single status review, Council have set aside an amount totalling £450,000. £100,000 during the 2006/07 year and a further £350,000 in the current year. At present single status negotiations are still ongoing.

20. Deferred Grants

	Note	2007/08	2006/07
		£	£
Opening balance		5,948,926	5,529,976
Add: new grants received	<i>11</i>	241,859	750,767
Less: amounts released to the District Fund - Income and Expenditure Account	<i>21,23</i>	(312,025)	(328,817)
Less waste mgt grant not received		0	(6,000)
Add Amt released 05-06 re waste mgt grant		0	3,000
		5,878,760	5,948,926

All capital grants towards the purchase of a fixed asset are taken to the Government Grants Deferred Account, and this amount is written off to the District Fund - Income and Expenditure Account over the useful life of the asset.

21. Reconciliation of Surplus to Net Cash Inflow from Operating Activities

	<i>Note</i>	2007/08 £	2007/08 £	2006/07 £	2006/07 £
Surplus/Deficit for year	3		(535,697)		(436,535)
<u>Non-cash transactions</u>					
Depreciation	3,10	1,178,083		1,136,698	
Deferred Grants amortised in year	3,20,23	(312,025)		(328,817)	
Contributions to other reserves		350,000		94,000	
			1,216,058		901,881
<u>Adjustment for items reported separately on Cashflow</u>					
Interest and Investment Income	6b)		(71,072)		(52,290)
Interest payable and similar charges including gains or losses on the repurchase or early resettlement of borrowings	6a)		546,173		522,863
Gain or loss on disposal of fixed assets	3,23		(1,352)		(7,828)
<u>Items on an accruals basis</u>					
Increase in stock		(29,353)		3,315	
Decrease in debtors		83,093		608,138	
Increase in creditors		35,695	89,435	(41,107)	570,346
Net Cash Inflow from Operating Activities			1,243,545		1,498,437

22a) Analysis of Changes in Cash and Cash Equivalents During the Year

		2007/08	2006/07	Change in	2006/07
	Note			the year	
		£	£	£	£
Temporary Investments		1,927,746	832,866	1,094,880	291,667
Cash		1,828	1,349	479	(32)
Bank overdraft		<u>(117,790)</u>	<u>(338,126)</u>	220,336	<u>60,600</u>
Net Cash		(115,962)	(336,777)	220,815	60,568
Total		1,811,784	496,089	1,315,695	352,235

The Council classes liquid resources as short-term deposits, which do not have a fixed-term investment date. Only current asset investments are included.

22b) Analysis of Net Debt

	Cash £	Temporary Investments £	Cash at Bank and in hand £	Loans due within one year £	Loans due after more than one year £	Finance Leases £	Net Debt £
Balance at 1 April 2007	(336,777)	832,866	496,089	(264,586)	(7,578,566)	0	(7,347,063)
Change in Year	220,815	1,094,880	1,315,695	(31,392)	(730,626)	0	553,677
Other non cash changes - new finance leases							
Balance at 31 March 2008	(115,962)	1,927,746	1,811,784	(295,978)	(8,309,192)	0	(6,793,386)

22c) Reconciliation of Changes in Cash to Movements in Net Debt

	Note	2007/08	2006/07
		£	£
Increase in cash in year		1,315,695	352,235
Cash inflow from new loans raised	11	(1,039,530)	(295,594)
Cash outflow from:			
Loans repaid		277,512	209,836
Finance lease repayments		0	<u>209,836</u>
Change in net debt resulting from cash flows		553,677	266,477
New finance leases	11	0	0
Net debt b/fwd		(7,347,063)	(7,613,540)
Net debt c/fwd		<u>(6,793,386)</u>	<u>(7,347,063)</u>

22d) Analysis of Government Grants shown in the Cash Flow Statement

	2007/08	2006/07
	£	£
Capital Grants		
Heritage Lottery Fund	0	0
European Capital Grants	138,415	402,275
Other Capital Grants	234,578	260,504
Central Government Grants	<u>74,516</u>	<u>102,856</u>
(i) Sub-total	447,509	765,635
Revenue Grants		
Community Services	41,064	55,252
Environmental Health	47,090	26,392
Economic Development	227,178	171,678
Community Relations	27,917	50,881
Recreation Grounds	19,981	300
Sports Development	675	23,075
Tourism	0	0
Arts Development	48,741	96,405
Waste Management	10,616	12,031
District Policing Partnership	90,574	90,760
Other	<u>26,420</u>	<u>14,722</u>
(ii)Sub-total	540,256	541,496
Total Grants	987,765	1,307,131

Revenue grants are included within in the 'Net Cash Inflow from Operating Activities' figure in the Cash Flow Statement.

23. Movement on Reserves

		Capital Adjustment Account	Financial Instrument Adjustment Account	Revaluation Reserve	Available-for- sale Financial Instruments Reserve	Pensions Reserve	Capital Receipts Reserve	Capital Fund	Renewal and Repairs Fund	Other Balances and Reserves (Election Reserve)	District Fund	TOTAL
	Note	£ 24a)	£ 24b)	£ 24c)	£ 24d)	£	£ 23e)	£	£	£ 23f)	£ 3	£
At 1 April 2007		13,969,290	0	0	0	0	484,795	0	0	12,177	928,254	15,394,516
Movements on reserves during the year:												
Capital Grants Released	3,20,21	312,025										312,025
Direct Revenue Financing	3,11	0										
Loans fund principal/depreciation adjustment	3	(903,876)										(903,876)
Receipts												
Interest received												
Receipts Applied	3	9,200					(9,200)					0
Payments to NILGOSC	3											
Disposal of Fixed Assets/Capital Sales	3,10,21	(7,848)					9,200					1,352
Capital Receipts used to finance capital expenditure	11											
Other movements										(5,720)		(5,720)
Revaluation	10											
Total movements on reserves during the year: (Change in Net Worth)							0				60,522	60,522
At 31 March 2008		13,378,791					484,795			6,457	988,776	14,858,819

24a) Capital Adjustment Account

The Capital Adjustment Account replaced the Capital Financing Account on 1 April 2007. The balance on the former Fixed Asset Restatement Account and the balance on former Capital Financing Account were combined to form this new account. The purpose of this new account is to aggregate the amount of capital expenditure that has been financed from revenue and capital receipts excluding sums received in respect of loans negotiated to finance capital investment. This account is debited or credited with the adjustment made in the District Fund for principal debt repaid less than or in excess of the provision for depreciation already debited to revenue and credited against fixed assets, to adjust the provision in line with statutory requirements. The account is also debited with an amount equal to the carrying amount of assets held at historic cost when they are disposed of. If the asset disposed of was held at current value, the balance held on the Revaluation Reserve is written off to the Capital Adjustment Account.

24b) Financial Instruments Adjustment Account

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

24c) Revaluation Reserve

This new Revaluation Reserve replaced the former Fixed Asset Restatement Account on 1 April 2007 where the balance was transferred to the new Capital Adjustment Account. This account cannot be used to support spending. 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 the District Fund) are mirrored in the Statement of Total Recognised Gains and Losses. It is a fundamental principal of this new account that it never becomes negative. If the asset disposed of was held at current value when it is disposed of, the balance held on the Revaluation Reserve is written off to the Capital Adjustment Account.

24d) Available-for-Sale Financial Instruments Adjustment Reserve

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

24e) Capital Receipts Reserve

This reserve has been renamed the Capital Receipts Reserve, having previously being named the Useable 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.

24f) Election Reserve

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

	2007/08	2006/07
Opening Balance	12,177	6,177
Transfers in year	6,000	6,000
Election expenses	(11,720)	<u>0</u>
	<u>6,457</u>	<u>12,177</u>

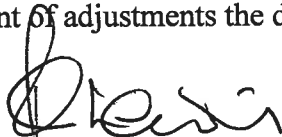
Accounts Authorised for Issue Certificate

In accordance with Financial Reporting Standard 21 (FRS 21) this Statement of Accounts which contains one material amendment and a number of minor amendments from the Accounts approved on 23 June 2008 are at today's date hereby authorised for issue. The material amendment will be explained and reported in accordance with Regulation 12 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006.

FRS 21 sets out

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

Signed


Chief Financial Officer

Date

28th October 2008

Material amendment

In accordance with Regulation 12 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 a material amendment from the Accounts approved on 23 June 2008 is explained as follows:-

- Since the approval of the accounts in June, the Council can now make a more informed estimate of the cost of implementing single status and consequently the provision has been increased by £150,000.