

# STATEMENT OF ACCOUNTS

Lisburn City and Castlereagh District Council

For the period ended 31st March 2015

<b>Contents</b>	<b>Page number</b>
<b>Explanatory Foreword</b>	<b>3</b>
Introduction	3
Financial Report	3
Post Balance Sheet Events	3
Legislative Context for Preparation and Audit of the Financial Statements	3
<b>Statement of the Lisburn City and Castlereagh District Council's and the Chief Financial Officer's responsibilities for the Statement of Accounts</b>	<b>5</b>
The New Council's Responsibilities	5
The Chief Financial Officer's Responsibilities	5
<b>Governance Statement</b>	<b>6</b>
Introduction	6
The Governance Framework	6
Statement of the Lisburn City and Castlereagh District Council's and the Chief Financial Officer's responsibilities for the Statement of Accounts	10
Significant governance issues	10
<b>Certificate of the Chief Financial Officer and New Council's Approval of the Statement of Accounts</b>	<b>11</b>
<b>Independent Auditor's Report to the Members of Lisburn City and Castlereagh District</b>	<b>12</b>
<b>Movement in Reserves Statement</b>	<b>14</b>
<b>Comprehensive Income and Expenditure Statement for the period ended 31st March 2015</b>	<b>15</b>
<b>Balance Sheet as at 31st March 2015</b>	<b>16</b>
<b>Cash Flow Statement for the period ended 31st March 2015</b>	<b>17</b>
<b>Notes</b>	
1 Accounting Policies	18
2 The Segmental Report	19
3 Income from Participating Councils	20
4 Government Grants	20
5 Members Costs	20
6 Staff Costs	20
7 Other Expenditure	21
8 Fixed Assets	22
9 Short Term Debtors	22
11 Cash and Cash Equivalents	22
12 Short Term Creditors	22
13 Reserves	23
14 Cash Flow Note	23
15 Related Party Transactions	24
16 Expenditure by predecessor Councils	24
Issue Certificate	25

## **Explanatory Foreword**

### **Introduction**

As part of local government reform 11 New Councils in Northern Ireland were established under the Local Government Act (Northern Ireland) 1972 as amended by the Local Government (Boundaries) Act (Northern Ireland) 2008.

The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 made transitional provision for the New Councils, which came into existence on 26th May 2014. Lisburn City and Castlereagh District Council (herein referred to as New Council) was formed.

The New Council operated in shadow form until it took over full responsibility for local government on the 1st April 2015 when the two predecessor councils ceased to exist.

Under the Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014, during the transitional period a New Council should:

- Prepare for the discharge of its functions after the 31st March 2015, and shall, in particular, establish such committees and sub-committees, appoint such staff, and prepare such budgets, plans, schemes and other things as are, or will be, required for that purpose; and
- Liaise with any existing council for the purposes of ensuring continuity in the exercise of its functions on and after the 1st April 2015.

It is the purpose of this foreword to explain, in an easily understandable way, the financial facts in relation to the New Council for this period.

### **Financial Report**

The New Council operated in shadow form, and therefore had limited activity, until it took over full responsibility for local government on 1st April 2015. As such it was not required to observe all the relevant accounting and disclosure requirements given in the Code of Practice during the period ended 31st March 2015.

The Financial Statements for the period ended 31st March 2015 have been prepared in line with the Department of the Environment (DOE) Accounts Direction, Circular LG 13/2015.

The Financial Statements explain the New Council's finances during the financial period ended 31st March 2015 and its financial position at the end of that period.

The following statements provide further information:

## **Lisburn City and Castlereagh District Council**

### **Financial Statements**

**For the period ended 31st March 2015**

- The Movement in Reserves Statement, as set out on page 14 shows the movement in the period on the reserves held by the New Council.
- The Comprehensive Income and Expenditure Statement, as set out on page 15, shows the income earned and the expenditure incurred during the period by the New Council in accordance with generally accepted accounting practices. This includes details of funding received from Government bodies and Predecessor Councils, together with details of administrative expenditure incurred by the New Council.
- The Balance Sheet, as set out on page 16, shows the value as at the Balance Sheet date of the New Council's assets and liabilities. The net assets of the New Council (assets less liabilities) are matched by the reserves held by the New Council.
- The Cash Flow Statement, as set out on page 17, shows the changes in cash and cash equivalents of the New Council during the reporting period. The statement shows how the New Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

For the period ended 31st March 2015 the New Council accounted for grant income of £639,801, Predecessor Council contributions of £953,257 and incurred total costs of £1,443,105. The financial activities of the New Council are wholly funded by Government Bodies and the Predecessor Councils, and as such did not show a deficit for the period.

#### **Post Balance Sheet Events**

From 1st April 2015, Predecessor councils cease to exist and their functions and balances transferred to the New Councils.

On this date, Central Government have also transferred specified services/functions to the New Council.

#### **Legislative Context for Preparation and Audit of the Financial Statements**

As provided for by Article 3 of the Local Government (Northern Ireland) Order 2005, the accounts of every local government body shall be:

- a) made up to the end of each financial year; and
- b) audited by a local government auditor designated by the Department, after consultation with the Comptroller and Auditor General for Northern Ireland.

Article 24 of the Local Government (Northern Ireland) Order 2005 provides that the Department may, by regulations, provide for the Statement of Accounts to be in a form directed by the Department. In this regard the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 were made on 7 March 2006.

These accounts are prepared in compliance with the Department's Accounts Direction, issued under Regulation 4(1) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006. Since the New Council came into existence on 26th May 2014, they have been prepared from that date to 31st March 2015.

**Statement of the Lisburn City and Castlereagh District Council's and the Chief Financial Officer's responsibilities for the Statement of Accounts**

**The New 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 (CFO). Arrangements made by a council for the proper administration of its financial affairs 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 New Council is required by resolution to approve the accounts.

These accounts were approved by the Governance and Audit Committee on 26 June 2015.

**The Chief Financial Officer's Responsibilities**

Under Regulation 4(1) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006, the Chief Financial Officer is responsible for the preparation of the New 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 for the financial period and the financial position as at the end of the financial period.

In preparing this Statement of Accounts, the Chief Financial Officer was required to:

- observe the Accounts Direction issued by the Department of the Environment;
- followed relevant accounting and disclosure requirements and applied suitable accounting policies on a consistent basis; and
- made judgements and estimates that were reasonable and prudent.

The Chief Financial Officer was also required to:

- keep proper accounting records that were up-to-date; and
- took reasonable steps for the prevention and detection of fraud and other irregularities.

Schedule 1 of the Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 disapplies provisions of existing local government legislation in respect of the new councils during the transitional period. For example, the Chief Financial Officer is not required to report on the adequacy of reserves. With the exception of the disapplied provisions, Chief Financial Officers should ensure the New council is compliant with the Local Government Finance Act (NI) 2011 and the Prudential Code for Capital Finance in Local Councils ("the Prudential Code"), and ensure that this is reflected where appropriate in the financial statements.

# **Lisburn City and Castlereagh District Council**

## **Financial Statements**

**For the period ended 31st March 2015**

CIPFA recently issued *Guidance on Prudential Indicators and the impact of Local Government Reform* to provide councils with guidance on the issues that surround setting and reviewing the prudential indicators for the newly formed council. Chief Financial Officers should ensure they are compliant on matters such as the quality of the report on the robustness of estimates, the annual investment strategy approved by Council and reporting on the indicators contained in the Prudential Code.

### **Governance Statement**

#### **Introduction**

The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2015 provides that, during the transitional period, a New Council should have:

- (i) prepared for the discharge of its functions after 31st March 2015 and, in particular, have established such committees and sub-committees, appoint such staff, and prepare such budgets, plans, schemes and other things as are, or will be, required for that purpose; and have
- (ii) liaised with any existing council for the purposes of ensuring continuity in the exercise of its functions on and after the 1st April 2015.

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

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

The New Council was required to prepare a Governance Statement covering the period of the accounts, which was consistent with the principles of the CIPFA/SOLACE Framework: *Delivering Good Governance in Local Government*. This statement explains how the New Council meet the requirements of Regulation 2A of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 in relation to the publication of a statement on internal control.

#### **The Governance Framework**

The governance framework has been in place at the New Council for the financial period ended 31st March 2015 and up to the date of approval of the Financial Statements.

The governance framework comprises the systems and processes, and culture and values, by which the New Council was directed and controlled and the activities through which the New Council accounted to and engaged with the community. It enabled the New 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 was a significant part of that framework and was designed to manage risk to a reasonable level. It could not 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 was based on an on-going process designed to identify and prioritise the risks to the achievement of the New 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 Chief Executive for the New Council had responsibility for maintaining a system of sound internal controls and risk management processes to support the New Council in the achievement of its objectives, and for reviewing their effectiveness. The systems of controls were based on a continual process designed to identify the principal risks to the achievement of the project objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

This section provides a summary of the key elements of the systems and processes that comprise the New Council's governance arrangements. Please refer to "Delivering Good Governance in Local Government - CIPFA/SOLACE for further guidance",)

**Arrangements for identifying and communicating the New Council's vision of its purpose and intended outcomes for citizens and service users**

Good Governance Guidance states that 'Local Government bodies need to develop and articulate a clear vision of their purpose and intended outcomes for citizens and service users that is clearly communicated, both within the organisations and to external stakeholders'. To facilitate this the New Council, in conjunction with its Predecessor Councils, had developed a Corporate Plan which is currently available to the public (and all interested parties) on request and via the Council's website.

**Arrangements for reviewing the New Council's vision and its implications for the New Council's governance arrangements**

Progress made against the New Council Corporate Plan for the transitional period was reviewed on a regular basis and formally reported by way of periodic progress reports, interim reports and final reports to the New Council/relevant New Council committees.

**Arrangements for 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 Northern Ireland Local Government Code of Conduct for councillors came into force on 28th May 2014. All elected members within the New Council have signed up to the Code of Conduct. A Code of Governance was developed for the New Council for the period ended 31st March 2015, based on the six principles set out in the CIPFA/SOLACE 'Delivering Good Governance in Local Government: a Framework'.

Terms of Reference were documented for the Audit Committee detailing their scrutiny function. Job descriptions and job specifications were developed for all Senior Manager roles, which clearly define and document the roles and responsibilities of officers.

**Arrangements for developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff**

All employees have a Contract of Employment which make reference to compliance with the Code of Conduct which is available on the Intranet. The Code of Conduct must be followed.

The New Council had a wide range of policies and procedures, which were subject to on-going review and include the standards of behaviour expected from all members and employees.

All policies and procedures were communicated to employees through induction and other on-going training initiatives.

The behaviour, standards and ethics expected of members are outlined in the Code of Conduct for Councillors issued by the Department of the Environment.

The New Council was fully compliant with all these policies and procedures.

**Arrangements for 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**

The New Chief Executive, in conjunction with its Predecessor Councils, developed standing orders, standing financial instructions, a scheme of delegation etc. for the New Council while the Council operated in shadow form.

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

The New Council had in place an Audit Committee whose overall purpose and objective was to assist Council in fulfilling its oversight responsibilities. The Committee undertook the functions of the Audit Committee for the Shadow Council. The Audit Committee, which met at least three times each year, had responsibility for

- The system of internal control and management of risks;
- The financial reporting process;
- The internal and external audit process;
- Council's processes for monitoring compliance with laws and regulations; and
- Council's processes for monitoring compliance with its own Standing Orders, policies and procedures.

**Arrangements for ensuring compliance with relevant laws and regulations, internal policies and procedures, and ensuring that expenditure is lawful**

The New Council regularly reviewed progress made and issues arising by way of periodic progress reports, interim reports and final reports regarding compliance with relevant laws and regulations, internal policies and procedures and ensuring lawful expenditure. Assurance had been provided by the Administrative Council with regard to areas in which the New Council will rely. These included systems, procedures and controls, including the Internal Audit function.



## **Lisburn City and Castlereagh District Council**

### **Financial Statements**

**For the period ended 31st March 2015**

While the New Council utilised the financial expertise, systems and controls of the administrative council, the New Council retained responsibility for ensuring that these were appropriate.

To facilitate risk management, the New Council was in the process of developing new Corporate Risk Registers together with Departmental Risk Registers, which would be subject to formal review and updated.

The New Council had access to specialist legal advisors to provide expertise, advice and guidance as required.

#### **Arrangements for whistle-blowing and for receiving and investigating complaints from the public**

The New Council had developed a fraud and corruption policy which reflected the Bribery Act and set out whistle-blowing arrangements. During 2014-15 reliance was placed on the Administrative Council's existing policy.

The handling of complaints is set out in the Council's Complaints Procedure, a copy of which is published on the Council's website.

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

The New Council relied on the procedures adopted by the Administrative Council to identify the development needs of members and senior officers during the transitional period.

#### **Review of effectiveness**

Overall control of the governance framework and the system of internal control was the responsibility of the New Council. Regular meetings, policy documents and periodic progress reports enabled the New Council to examine and evaluate the progress made and address issues affecting the implementation of the New Council Corporate Plan.

The New Council had responsibility for conducting a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness was informed by the work of the New Council's Officers, who had responsibility for supporting the Committee in the development and maintenance of the governance environment and also by recommendations made by Internal Audit.

The Chief Executive of the New Council was the Chief Financial Officer, and led the Council's Senior Management Team to collectively have involvement in and oversight of the processes involved in maintaining and reviewing the effectiveness of the governance framework.

The Chief Executive of the New Council was advised on the implications of the result of the review of effectiveness of the governance framework by the audit committee, and a plan to address weaknesses and ensure continuous improvement of the system was in place.

## Lisburn City and Castlereagh District Council

### Financial Statements

For the period ended 31st March 2015

The Chief Executive for the New Council had responsibility for the preparation of this Annual Governance Statement. In preparing this statement, consideration has been given to the governance framework, the system of internal controls in place, and Best Practice guidance.

#### Significant governance issues

A Judicial Review between Belfast City Council and the DOE took place on 31<sup>st</sup> March 2015. The outcome of the Review was to allow Belfast City Council the right to appeal against a decision taken by the DOE in relation to the transfer of assets and liabilities from Castlereagh Borough Council to Belfast City Council. The appeal is scheduled for 13<sup>th</sup> and 14<sup>th</sup> January 2016.

#### Local Government Reform

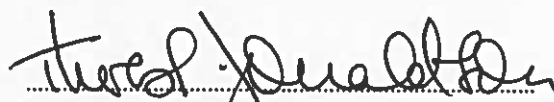
The Local Government (Transitional, Supplementary, Incidental Provisions and Modifications) Regulations (Northern Ireland) 2014 vested functions and powers in the New Councils during the transitional period to enable them to prepare for the assumption of their full functions and to ensure continuity in performance after the 1st April 2015.

From 1 April 2015, under the Reform of Local Government, the number of Councils in Northern Ireland reduced from 26 Predecessor to 11 New Councils. From that date the Northern Ireland Executive 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 Local Government Act (Northern Ireland) 2014 introduced the legislative framework for Northern Ireland's 11 New Councils. This includes how decisions are made, how positions of responsibility are shared across political parties, how improvements in the delivery of council functions can be achieved to reflect the needs of local communities, and how effectively and efficiently council services are delivered to people. It provides for strong, modern, statutory governance in Councils and introduces a new ethical standards framework which includes a mandatory code of conduct for councillors.

The Local Government Act (Northern Ireland) 2014 also made provision for Northern Ireland Departments to make schemes for the transfer of designated assets or liabilities from the 26 Predecessor Councils to the 11 New Councils, and from Departments to the 11 New Councils.

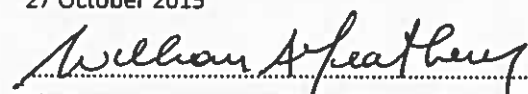
Signature

  
Chief Financial Officer

Date

27 October 2015

Signature

  
Chairman - Governance & Audit Committee

Date

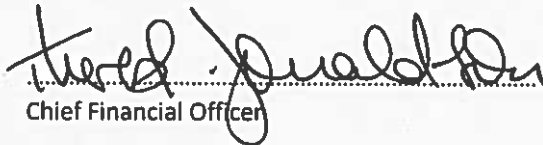
27 October 2015

**Certificate of the Chief Financial Officer and New Council's Approval of the Statement of Accounts**

I certify that :-

- a) The Statement of Accounts for the financial period ended 31st March 2015 on pages 14 to 24 have been prepared in the form directed by the Department of the Environment and under the accounting policies set out on page 18.
  
- b) In my opinion the Statement of Accounts give a true and fair view of the income and expenditure and cash flows for the financial period and the financial position as at the end of the financial period ended 31st March 2015.

Signature

  
Chief Financial Officer

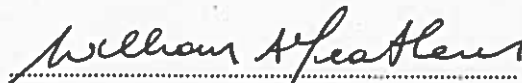
Date

27 October 2015

**Council Approval of Statement of Accounts**

These accounts were approved by resolution of the Governance & Audit Committee on 26 June 2015.

Signature

  
Chairman - Governance & Audit Committee

Date

27 October 2015

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LISBURN CITY AND CASTLEREAGH DISTRICT COUNCIL**

I have audited the statement of accounts of Lisburn City and Castlereagh District Council for the period 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 statements of account have been prepared under the accounting policies set out within them.

This report is made solely to the Members of Lisburn City and Castlereagh District Council in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities issued by the Chief Local Government Auditor.

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

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

### **Scope of the audit of the 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 Lisburn City and Castlereagh District Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Lisburn City and Castlereagh 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, of the financial position of Lisburn City and Castlereagh District Council as at 31 March 2015 and its income and expenditure for the period 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 period ended 31 March 2015 is consistent with the financial statements.

### Matters on which I report by exception

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

- The Governance Statement:
  - does not comply with proper practices specified by the Department of the Environment; or
  - 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 Lisburn City and Castlereagh 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

28 October 2015

**Lisburn City and Castlereagh District Council**  
**Financial Statements**

**For the period ended 31st March 2015**

**Movement in Reserves Statement**

	<i>Notes</i>	<b>Total Usable Reserves</b> £	<b>Total Unusable Reserves</b> £	<b>Total Reserves</b> £
<b>At 26th May 2014</b>		-	-	-
<b>Movement in reserves during the period</b>				
Surplus on the provision of services		151,155	-	151,155
Other comprehensive income and expenditure		-	-	-
<b>Total comprehensive income and expenditure</b>		<b>151,155</b>	<b>-</b>	<b>151,155</b>
Adjustment between Accounting and Funding basis	<b>13</b>	142,169	(142,169)	-
<b>At 31st March 2015</b>		<b>293,324</b>	<b>(142,169)</b>	<b>151,155</b>

# Lisburn City and Castlereagh District Council

## Financial Statements

For the period ended 31st March 2015

### Comprehensive Income and Expenditure Statement for the period ended 31st March 2015

	<i>Notes</i>	2014/15 £
<b>Income</b>		
Income from Predecessor Councils	<b>3</b>	953,257
Government Grants	<b>4</b>	639,801
Other Income		1,202
<b>Total Income</b>		<b>1,594,260</b>
<b>Expenditure</b>		
Members Costs	<b>5</b>	520,574
Staff Costs	<b>6</b>	504,552
Other Expenditure	<b>7</b>	417,979
<b>Total Expenditure</b>		<b>1,443,105</b>
<b>Surplus on the provision of services</b>		<b>151,155</b>
<b>Other Comprehensive Income and Expenditure</b>		<b>-</b>
<b>Total Comprehensive Income and Expenditure</b>		<b>151,155</b>

**Lisburn City and Castlereagh District Council**

**Financial Statements**

**For the period ended 31st March 2015**

**Balance Sheet as at 31st March 2015**

	<i>Notes</i>	<b>£</b>
<b>Long Term Assets</b>	<b>8</b>	<b>197,216</b>
Short Term Debtors	<b>9</b>	1,290,619
<b>Current Assets</b>		<b>1,290,619</b>
Short Term Creditors	<b>12</b>	1,336,680
<b>Current Liabilities</b>		<b>1,336,680</b>
<b>Net Assets</b>		<b>151,155</b>
Usable Reserves	<b>13</b>	293,324
Unusable Reserves	<b>13</b>	(142,169)
<b>Net Worth</b>		<b>151,155</b>



# Lisburn City and Castlereagh District Council

## Financial Statements

For the period ended 31st March 2015

### Cash Flow Statement for the period ended 31st March 2015

	<i>Notes</i>	<b>2014/15</b>
		<b>£</b>
<b>Surplus on the provision of services</b>		<b>151,155</b>
included in the net surplus		
or deficit on the provision		
of services that are	<b>14</b>	144,669
Net Cash Flows from Operating Activities		295,824
Net Cash Flows from Investing Activities	<b>14</b>	(295,824)
Net Cash Flows from Financing Activities	<b>14</b>	-
Net increase / (decrease) in cash and cash equivalents		-
Cash and Cash Equivalents at the beginning of the reporting period		-
Cash and Cash Equivalents at the end of the reporting period	<b>11</b>	-

**1 Accounting Policies**

**General Principles**

The Financial Statements summarise the New Council's transactions for the 2014/15 financial period and its position as at 31st March 2015. The New Council was required to prepare Financial Statements in a form directed by the Department of the Environment in accordance with regulation 4(1), and 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, supported by International Financial Reporting Standards (IFRS). As the New Council had limited activity during the transitional period, it was not required to observe all relevant accounting and disclosure requirements given in the Code of Practice during this period.

**Accruals of Income and Expenditure**

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. This ensures that provision has been made for known outstanding debtors and creditors at the period end, estimated amounts being used where actual figures are not available.

**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 the expected useful life of the asset.

**Lisburn City and Castlereagh District Council**  
**Financial Statements**

**For the period ended 31st March 2015**

**2 The Segmental Report**

2014/15

		DOE Funding	Predecessor Council Funding	Other Income	Total
		£	£	£	£
Income from Predecessor Councils	3	-	953,257	-	953,257
Government Grants	4	639,801	-	-	639,801
Other Income		-	-	1,202	1,202
<b>Total Income</b>		<b>639,801</b>	<b>953,257</b>	<b>1,202</b>	<b>1,594,260</b>
Member Costs	5	496,395	24,179	-	520,574
Staff Costs	6	-	504,552	-	504,552
Other change management	7	37,879	(37,879)	-	-
Capacity Building	7	42,648	66,210	-	108,858
Staff induction to new council	7	45,951	(45,951)	-	-
ICT convergence	7	-	3,673	-	3,673
Predecessor council winding up costs	7	16,928	(16,928)	-	-
Audit fee	7	-	6,000	-	6,000
Running costs	7	-	33,152	-	33,152
Other expenses	7	-	46,944	-	46,944
Depreciation	7	-	98,608	-	98,608
Legal Fees	7	-	38,031	-	38,031
Marketing & Communication	7	-	82,713	-	82,713
<b>Total Expenditure</b>		<b>639,801</b>	<b>803,304</b>	<b>-</b>	<b>1,443,105</b>
<b>Surplus on the provision of services</b>		<b>-</b>	<b>149,953</b>	<b>1,202</b>	<b>151,155</b>

**Lisburn City and Castlereagh District Council**  
**Financial Statements**

**For the period ended 31st March 2015**

	<b>2014/15</b>
<b>3 Income from Predecessor Councils</b>	<b>£</b>
Lisburn City Council	643,449
Castlereagh Borough Council	309,808
	<hr/>
	<b>953,257</b>
	<hr/>
<b>4 Government Grants</b>	<b>£</b>
Member Costs	496,395
Predecessor council winding up costs	16,928
Capacity Building	42,648
Change management	37,879
Staff Induction	45,951
	<hr/>
	<b>639,801</b>
	<hr/>
	<b>2014/15</b>
<b>5 Members Costs</b>	<b>£</b>
Members basic allowances	327,384
Special responsibility allowances	68,152
Dependents' carers allowances	156
Employer costs	89,644
Conferences and Courses	5,686
Travel and Subsistence costs	11,359
Miscellaneous costs	18,193
	<hr/>
	<b>520,574</b>
	<hr/>
	<b>2014/15</b>
<b>6 Staff Costs</b>	<b>£</b>
Gross salaries	396,712
Employer's national insurance	36,684
Employer's superannuation	71,156
	<hr/>
	<b>504,552</b>
	<hr/>

**Lisburn City and Castlereagh District Council**  
**Financial Statements**

**For the period ended 31st March 2015**

		<b>2014/15</b>
	<b>Total Staff Numbers</b>	<b>FTE</b> 14
	<b>Full-time numbers employed</b>	<b>Actual Numbers</b> 14
		<hr/> <b>14</b> <hr/>
	<b>Senior Employee's Remuneration</b>	<b>2014/15</b> <b>Actual Numbers</b>
	£50,001 to £60,000	1
	£60,001 to £70,000	-
	£70,001 to £80,000	2
	£80,001 to £90,000	3
	£90,001 to £100,000	1
	£100,001 to £110,000	-
	£110,001 to £120,000	-
	£120,001 to £130,000	-
		<hr/> <b>7</b> <hr/>
		<b>2014/15</b>
<b>7</b>	<b>Other Expenditure</b>	<b>£</b>
	Capacity Building	108,858
	ICT convergence	3,673
	Audit fee	6,000
	Running costs	33,152
	Other expenses	46,944
	Depreciation	98,608
	Legal Fees	38,031
	Marketing & Communication	82,713
		<hr/> <b>417,979</b> <hr/>

# Lisburn City and Castlereagh District Council

## Financial Statements

For the period ended 31st March 2015

	Property, Plant and Equipment £	Total £
<b>8 Long Term Assets</b>		
Opening Cost at 26th May 2014	-	-
Additions - Computer Equipment & Software	295,824	295,824
<b>Closing Cost at 31st March 2015</b>	<u>295,824</u>	<u>295,824</u>
Opening Accumulated Depreciation at 26th May 2014	-	-
Charge for the year	98,608	98,608
<b>Closing Accumulated Depreciation at 31st March 2015</b>	<u>98,608</u>	<u>98,608</u>
<b>Closing Net Book Value at 31st March 2015</b>	<u>197,216</u>	<u>197,216</u>
		<b>31st March 2015</b>
<b>9 Short Term Debtors</b>		£
Government Departments		337,361
Other debtors		953,258
		<u>1,290,619</u>
		<b>31st March 2015</b>
<b>11 Cash and Cash Equivalents</b>		£
The balance of Cash and Cash Equivalents is made up of the following elements:		
Cash and Bank Balance		-
Bank Overdraft		-
		<u>-</u>
		<b>31st March 2015</b>
<b>12 Short Term Creditors</b>		£
Predecessor Councils		1,287,119
Accruals		6,000
Accumulated Absences		43,561
		<u>1,336,680</u>

**Lisburn City and Castlereagh District Council**

**Financial Statements**

**For the period ended 31st March 2015**

13 Reserves	Usable reserves	Unusable reserves		Total £
	General fund £	Capital adjustment account £	Accumulated Absences Reserve	
Opening reserve balances at 26th May 2014	-	-	-	-
Surplus on the provision of services	151,155	-	-	151,155
Adjustment for depreciation of fixed assets	98,608	(98,608)	-	-
Capitalisation Direction/ REFCUS		-	-	-
Accumulated Absences	43,561	-	(43,561)	-
<b>Closing reserve balances at 31st March 2015</b>	<b>293,324</b>	<b>(98,608)</b>	<b>(43,561)</b>	<b>151,155</b>

14 Cash Flow Note	2014/15
<b>Adjustment to surplus (deficit) for provision of services for non cash movements</b>	£
Depreciation	98,608
Increase in debtors	(1,290,619)
Increase in creditors	1,336,680
<b>Total adjustments for non cash movements</b>	<b>144,669</b>
	2014/15
<b>Cash flows from operating activities Include:</b>	£
Interest received	-
Interest paid	-
	-
	2014/15
<b>Cash flows from investing activities</b>	£
Purchase of fixed assets	(295,824)
<b>Total adjustments for investing activities</b>	<b>(295,824)</b>
	-
<b>Total adjustments for financing activities</b>	<b>-</b>

**15 Related Party Transactions**

A Related Party Transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related Party Transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the New 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 New Council and Trade Unions in the course of their normal dealings with the New Council.

In addition where the relationship with the New Council and the entity is solely that of an Agency, 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 and the amount of the transaction is as follows:

<b>16 Expenditure by predecessor Councils</b>	<b>£</b>
Lisburn City Council	
Support staff , Members Allowances , operational costs	1,208,458
 Castlereagh Borough Council	 132,076
Support staff , Staff Travel , Hardware software	
	<u>1,340,534</u>



**Accounts Authorised for the Issue Certificate**

In accordance with International Accounting Standard 10, Events after the Balance Sheet Date (IAS 10) this Statement of Accounts which contains a number of material amendments from the Accounts approved on 26 June 2015 are at today's date hereby authorised for issue.

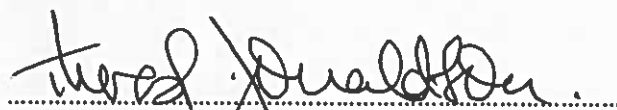
IAS 10 sets out

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

**Material Amendments**

- Audit Fee increased from £3,500 to £6,000
- Accumulated Absences has been charged to Comprehensive Income and Expenditure Statement and a Unusable Reserve created in the Balance Sheet of £43,561

Signed

  
.....  
Chief Financial Officer

Dated

27 October 2015