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FINANCIAL POSITION :

	<u>2006/2007</u>	<u>Actual Per</u>	
	<u>Estimates</u>	<u>2006/2007 Abstract</u>	
<u>Cost of Services</u>	<u>£</u>	<u>£</u>	
Expenditure	19,808,854	20,198,928	(NOTE 1)
Income	6,568,154	7,221,561	(NOTE 2)
NET COST	13,240,700	12,977,367	

NOTE 1 **EXPENDITURE** : excludes a transfer to the Renewals and Repairs Fund.

NOTE 2 **INCOME** : excludes General Grant and District Rates.

STATEMENT OF ACCOUNTING POLICIES

1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Local Government (Northern Ireland) Order 2005, the Code of Practice on Local Authority Accounting in the United Kingdom 2006 (SORP - Statement of Recommended Practice), the Accounts Direction issued by the Department of the Environment (NI) and the Best Value Accounting Code of Practice (BVACOP). Where the accounts are at variance with the SORP, or with Statements of Standard Accounting Practice, an appropriate reference is recorded in the Statement of Accounting Policies or in the Notes to the Accounts.

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 of Relevance, Reliability, Comparability, Understandability, Materiality and Accruals.

2 FIXED ASSETS

Categories of Assets

INTANGIBLE ASSETS

The Intangible Asset is in respect of future landfill site closure costs, and has been estimated by professional consultants. The Asset is depreciated over the remaining useful life of the site, as sums to provide for its closure are set aside.

TANGIBLE ASSETS: Operational (eg land and buildings, vehicles)
Non-operational (eg surplus properties)
Infrastructure (eg coastal defences)
Community (eg museum exhibits)

Recognition

All expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on the accruals basis in accordance with Financial Reporting Standard 15 Tangible Fixed Assets (FRS 15).

The undernoted de minimis levels have been used:-

Land and buildings	All Capitalised
Vehicles	£3,000
Plant and equipment	£3,000
Furniture and fittings	£3,000
IT Equipment	£3,000

Measurement

Infrastructure and community assets are included in the balance sheet at historic cost, net of depreciation, where appropriate. Where the historic cost of Community Assets are unknown, assets are included at a nominal value. Subsequent expenditure on such assets is included at cost. Operational land and properties and other operational assets are included in the balance sheet at the lower of net current replacement cost or net realisable value in existing use.

Non-operational land and properties and other non-operational assets, including investment properties and assets that are surplus to requirements, are included in the balance sheet at the lower of net current replacement cost or net realisable

value. Assets under construction are included in the Balance Sheet at historical cost. Fixed assets have been valued on the basis recommended by CIPFA and in accordance with the Statements of Asset Valuation Principles and Guidance Notes issued by the Valuation & Lands Agency.

Revaluations

When an asset is included in the balance sheet at current value, it is formally revalued at intervals of not more than five years and the revised amount is included in the balance sheet. Material changes to asset values which occur in the interim period will be accounted for immediately.

The difference between the value and the amount at which the asset was included in the balance sheet immediately prior to the latest revaluation is credited or debited to a fixed asset restatement account.

In accordance with Financial Reporting Standard 11 Impairment of Fixed Assets and Goodwill (FRS 11), the valuer also reviews assets for impairment.

Disposals

Income from the sale of fixed assets is credited to the useable capital receipts reserve, and is accounted for on an accruals basis. The proportion used for the repayment of external loans is credited to the capital financing account. Upon disposal, the net book value of the asset disposed of is written off against the fixed asset restatement account.

Depreciation

In accordance with FRS 15, depreciation has been provided on all fixed assets with the exception of freehold land, assets in the course of construction and non-operational assets. Operational assets, exclusive of land value, are depreciated on a straight line basis over their useful life.

Rates of depreciation charged are as follows:-

Operational buildings	2.5-10% per annum
Vehicles	10-20% per annum
Plant and equipment	10% per annum
Furniture and fittings	10% per annum
IT Equipment	33 1/3% per annum

Infrastructure assets are depreciated on a straight line basis.

Community assets are not depreciated.

Newly acquired assets are not depreciated in the year of purchase. Assets under construction are not depreciated until they are brought into use. Assets are fully depreciated in the year of disposal.

Comparative Figures

In previous years, capital charges were made to the District Fund - Income and Expenditure Account. These capital charges were equal to the sum of depreciation plus a notional interest charge, where the interest rate was prescribed by CIPFA and applied to all operational assets employed by the Council. From 1 April 2006, this notional interest charge is no longer required to be made to the District Fund - Income and Expenditure Account. Instead, actual interest is charged to the District Fund - Income and Expenditure Account.

3 **GOVERNMENT GRANTS**

Revenue grants are matched with the expenditure to which they relate. Where the acquisition of a fixed asset is financed, whether wholly or in part, by a government grant or other contribution, the amount of the grant or contribution is credited to the government grants deferred account and written off to the appropriate service over the useful life of the asset to match the depreciation of the asset to which it relates.

4 **DEBTORS AND CREDITORS**

The revenue accounts of the Council are maintained on an accruals basis in accordance with the SORP and FRS18. That is, sums due to or from the Council during the year are included whether or not the cash has actually been received or paid in the year. A specific provision is made for those debts not fully collectable.

5 **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.

6 **COSTS OF SUPPORT SERVICES**

Most costs of management and administration have been fully allocated to services, the main exceptions being the cost of the democratic process (allocated to Democratic Representation and Management), and some central costs which have been allocated to Corporate Management. Costs have normally been allocated on the basis of actual or estimated time spent by staff.

7 **PENSIONS**

Local authorities in Northern Ireland contribute to the Northern Ireland Local Government Superannuation Committee (NILGOSC) Scheme. The scheme is fully funded and provides the relevant information in accordance with FRS17 within its own accounts. The cost of providing pensions for employees is charged to the accounts in accordance with the statutory requirements governing the scheme. Details on the rate of contribution and the amount paid over to the scheme are included in the notes to the District Fund.

In accordance with FRS17, Council provides in full for future liabilities arising from decisions to grant added years of service to former staff.

8 **LONG TERM DEBTORS**

The accounts contain certain long term loans which were originally taken out for the creation of public sector housing stock. These loans are being reduced annually by payments received from the Northern Ireland Housing Executive, who assumed control of all public sector housing in 1973.

9 INTERNAL INTEREST

Internal interest is credited to the General Revenue Account and Renewals and Repairs Fund. The amounts are calculated using appropriate money market rates.

10 STOCKS

Stocks are valued at cost, not at lower of cost or net realisable value as stated in SSAP 9. The effect of this treatment is not material to the accounts.

11 REPURCHASE OF BORROWING

In accordance with FRS4 - Capital Instruments, gains or losses arising on the repurchase or early settlement of borrowing are recognised in the District Fund Income and Expenditure during the period when the transaction occurs. Where, however, the repurchase of borrowing is coupled with restructuring of borrowing with substantially the same overall economic effect when viewed as whole, gains or losses are recognised over the life of the replacement borrowing.

12 RESERVES

(a) Renewals and Repairs Fund

In accordance with Section 56 of Local Government Act (NI) 1972, the Council makes provision for specific future expenses which are likely or certain to be incurred but the amount of which cannot yet be determined accurately. This is facilitated by means of a Renewals and Repairs Fund. The approved limit for this fund is £750,000.

(b) Capital Financing Account

The Council has established a Capital Financing Account to which are charged or credited capital receipts used to finance capital expenditure, direct revenue financing, and differences between loan principal repaid and depreciation.

(c) Useable Capital Receipts Reserve

Net income from fixed asset disposals is credited to the reserve. Where applicable, any amount reserved for the repayment of external loans is transferred to the Capital Financing Account.

(d) Sinking Fund

In accordance with Schedule 5 of the Local Government Act (NI) 1972, Council has established a Sinking Fund to which is charged such sums as to provide for the future repayment of maturity loans. Sums are set aside on an equal annual basis over the lifetime of such loans.

(e) Fixed Asset Restatement Account

The FARA reflects the valuation surplus arising from revaluation of fixed assets. Surpluses/losses on revaluation are credited/charged to the Account. Net Book Value of assets disposed of is charged to the Account.

2 **GENERAL GRANT & DISTRICT RATES**

	<u>General Grant</u>		<u>District Rates</u>	
	<u>2006/07</u>	<u>2005/06</u>	<u>2006/07</u>	<u>2005/06</u>
	£	£	£	£
Current Year	526,856	518,886	12,754,700	11,420,154
Prior Year	-	-	447,216	297,240
Total	<u>526,856</u>	<u>518,886</u>	<u>13,201,916</u>	<u>11,717,394</u>

The figures for District Rates do not include closing debtors for rates due from the Rate Collection Agency as the amounts concerned have not been notified to the Council at this time.

3 **SECTION 115 EXPENDITURE**

No expenditure has been incurred under this heading in 2006/2007.

4 **SECTION 115(c) EXPENDITURE**

PUBLICITY

Council has appointed an agency to act on its behalf in the provision of publicity on a regional and national basis in order to promote a positive image of the Borough of Coleraine. The company also provides professional support and expertise to council staff who are involved in the Corporate Marketing of the area.

In the financial year 2006/2007 a total of £7,470 was paid to the agency for the provision of these services.

EMPLOYEES

	<u>31/03/2007</u>	<u>31/03/2006</u>
	£	£
Gross Total Salaries (including Employer's NI and superannuation contributions)	4,545,900	4,070,072
Gross Total Wages (including Employer's NI and superannuation contributions)	4,285,427	3,136,182
<hr/>		
Average number of staff in post		
(1) salary earning	147	148
(2) wage earning	201	191
<hr/>		
Actual number of staff in post at end of year		
(1) salary earning	153	151
(2) wage earning	200	201
<hr/>		

SENIOR EMPLOYEE REMUNERATION

The 5 employees whose remuneration exceeded £50,000 in the year are analysed in the following table:-

EMOLUMENTS BAND		NUMBER OF EMPLOYEES	
£	£	<u>2006/07</u>	<u>2005/06</u>
50000	60000	-	3
60000	70000	-	1
70000	80000	3	1
80000	90000	2	-

Salary and Wages figures for the year ended 31 March 2007 include approximately £788,000 of back pay awarded by Council following a Council-wide job evaluation exercise.

6 PENSION SCHEME

The Council participates in the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) scheme. NILGOSC is classed as a defined benefit scheme, but it is accounted for as a defined contribution scheme as the council is neither able to identify its share of the underlying assets and liabilities nor details of any surpluses or deficits in the scheme which apply directly to the council.

An actuarial valuation of the Pension Fund at 31 March 2004 showed a funding level of 85%. During the 2006/07 financial year, Council paid an employer's contribution rate of 11%, which resulted in a total of £657,781 being paid into the Fund. The employer's contribution rate from 1 April 2007 will be 13%.

7 MEMBERS' ALLOWANCES

	2006/07 £	2005/06 £
Basic Allowance	107,598	103,111
Attendance Allowance	35,147	33,748
Special Responsibility Allowances	12,880	11,872
Miscellaneous	17,569	21,022
Employer Costs	5,903	5,431

8 **RELATED PARTY TRANSACTIONS**

During the year, Council entered into the undernoted transactions with related parties:

(a) Council provided car loans of £20,450 to senior officers in accordance with the terms and conditions of their contracts of Employment. Repayments amounting to £18,679 were received in total towards all such loans.

(b) Council gave grants to a number of bodies onto which it also nominates several Councillors. The details are as follows:-

<u>Name of Body</u>	<u>Amount of Grant</u> £	<u>Councillors/Aldermen</u>
Coleraine and District Sports Council	13,500	Bradley, McClarty, McLaughlin, McQuillan & King
Coleraine Twinning Association	6,250	Black, Fielding, Deans & McPherson
Coleraine Town Centre Partnership	97,920	McClure, McLaughlin & Mrs Johnston
Causeway Coast & Glens Ltd	43,628	Hillis
Coleraine Local Action Group for Enterprise	41,523	Cole, King, McQuillan
Citizen's Advice Bureau	72,746	Leonard, McLaughlin
Coleraine Arts Committee	-	Creelman, McClarty, Mrs Johnston, Fitzpatrick & Stewart
Riverside Theatre Trust	58,444	Hickey, Deans & Stewart
Sperrins Tourism Ltd	3,500	Cole
N.I. Local Government Association	16,001	Mrs Johnston, McClure Dallat, McClarty & Stewart
National Association of Councillors	1,970	Hillis, McLaughlin, Stewart, Fitzpatrick & McClure
N.W. Regional Waste Management	36,746	McPherson, McQuillian
Lower Bann Advisory Group	4,914	Barbour & Church
Northern Building Control Group	47,565	Deans, McPherson
Northern Environmental Health Group	97,606	Barbour, Bradley

Balance Sheet as at 31 March 2007

	<u>Notes</u>	<u>2006/2007</u> £	<u>2005/2006</u> £
FIXED ASSETS			
Intangible Assets	16	3,760,000	3,935,000
Tangible Fixed Assets	1		
<i>Operational Assets</i>			
Land and buildings		60,065,650	59,778,571
Infrastructure Assets		276,756	290,594
Community assets		1,832,195	1,405,983
Vehicles, Plant, Furniture and Equipment		3,427,707	3,396,673
<i>Non-operational assets</i>			
Investment Properties		967,320	971,240
Assets under Construction		1,185,532	1,406,900
Surplus Assets held for Disposal		-	-
Total Fixed Assets		71,515,160	71,184,961
Long Term Investments		-	-
Long Term Debtors	15	1,562,112	1,590,600
Deferred Premiums on early repayment of debt		348,190	361,612
Total Long Term Assets		73,425,462	73,137,173
Current Assets			
Stock	2	43,436	58,431
Debtors	3	948,988	1,081,881
Short Term Investments		786,072	1,063,000
Cash and Bank		-	-
Total Assets		75,203,958	75,340,485
Current Liabilities			
Borrowing repayable on demand or within 12 months		2,370,719	3,219,754
Creditors	4	2,660,219	2,565,963
Bank Overdraft		995,751	716,627
Net Current Assets		-4,248,193	-4,299,032
Total Assets less Current Liabilities		69,177,269	68,838,141
Long Term Liabilities			
Borrowing repayable within a period in excess of 12 months	5	24,828,977	24,199,696
Deferred liabilities		-	-
Government Grants - deferred	11	4,004,056	3,738,280
Provisions	14	4,618,514	4,627,114
Total Assets Less Liabilities		35,725,722	36,273,051

Reserves

Fixed Asset Restatement Account	6	36,769,231	36,787,306
Capital Financing Account	7	-3,627,769	-2,200,286
Useable Capital Receipts Reserve	8	-	51,422
Pensions Reserve	12	-178,514	-187,114
Capital Fund		-	-
Renewal and Repairs Fund	9	786,072	582,117
Other Balances and Reserves	9	946,000	488,000
District Fund	9	1,030,702	751,606
Net Worth		<u>35,725,722</u>	<u>36,273,051</u>

NOTES TO THE BALANCE SHEET

1 FIXED ASSETS

	<u>Land & Buildings</u>	<u>Vehicles/ Plant & Equipment</u>	<u>Infra- structure</u>	<u>Community</u>	<u>Non-Operational Assets</u>	<u>Assets Under Construction</u>	<u>Total</u>
	£	£	£	£	£	£	£
Cost							
At 1 April 2006	64,736,440	6,226,145	308,150	1,405,983	983,000	1,406,900	75,066,618
Additions	1,617,310	751,255	0	66,929	0	633,317	3,068,811
Transfers	495,402	0	0	359,283	0	-854,685	0
Disposals	-8,000	-44,946	0	0	0	0	-52,946
Other Movements	0	0	0	0	0	0	0
At 31 March 2007	<u>66,841,152</u>	<u>6,932,454</u>	<u>308,150</u>	<u>1,832,195</u>	<u>983,000</u>	<u>1,185,532</u>	<u>78,082,483</u>
Depreciation							
At 1 April 2006	4,957,869	2,829,472	17,556	0	11,760	0	7,816,657
Charge for the year	1,817,633	710,146	13,838	0	3,920	0	2,545,537
Disposals	0	-34,871	0	0	0	0	-34,871
Other Movements	0	0	0	0	0	0	0
At 31 March 2007	<u>6,775,502</u>	<u>3,504,747</u>	<u>31,394</u>	<u>0</u>	<u>15,680</u>	<u>0</u>	<u>10,327,323</u>
Net Book Amount at 31 March 2006	<u>59,778,571</u>	<u>3,396,673</u>	<u>290,594</u>	<u>1,405,983</u>	<u>971,240</u>	<u>1,406,900</u>	<u>67,249,961</u>
Net Book Amount at 31 March 2007	<u>60,065,650</u>	<u>3,427,707</u>	<u>276,756</u>	<u>1,832,195</u>	<u>967,320</u>	<u>1,185,532</u>	<u>67,755,160</u>

The Council's land and properties have been professionally valued as at 31/3/04 by the Valuation and Lands Agency, on the basis outlined on page 6.

FINANCING OF CAPITAL EXPENDITURE

	<u>2006/07</u>	<u>2005/06</u>
	£	£
Capital Payments	3,068,811	2,690,424
FINANCED BY:		
Borrowings	2,000,000	2,000,000
Grants receivable	451,861	927,318
Other Capital Receipts	115,704	0
Surplus/(Deficit)	-501,246	236,894
Balance brought forward	94,713	-142,181
Balance carried forward	-406,533	94,713

2 STOCK

	<u>31/03/2007</u>	<u>31/03/2006</u>
	£	£
Garage Stock	11,554	14,221
Fuel	23,808	23,918
Refuse Bins	8,074	20,292
	<u>43,436</u>	<u>58,431</u>

3 DEBTORS

	<u>31/03/2007</u>	<u>31/03/2006</u>
	£	£
Amounts falling due in less than one year		
Government Departments	259,996	327,642
Other Councils	36,252	36,189
VAT	124,262	154,849
Payments in Advance	6,630	-
Other	496,838	903,793
*Amounts falling due after one year		
Car Loans to employees	25,010	23,239
	<u>948,988</u>	<u>1,445,712</u>
Total		

*Whilst a small amount of this total falls due in less than one year it is deemed more appropriate to show the total outstanding as one figure.

4 CREDITORS

	<u>31/03/2007</u>	<u>31/03/2006</u>
	£	£
Local Government Audit	17,000	18,400
Government Depts	298,560	264,119
Other Councils	59,408	3,256
Receipts in Advance	1,028,743	382,150
Other	1,012,742	1,663,272
Loan Interest re-payable within one year	243,766	234,766
	<u>2,660,219</u>	<u>2,565,963</u>

5 **BORROWING REPAYABLE WITHIN
A PERIOD IN EXCESS OF ONE YEAR**

<u>Source of Loan</u>	<u>Range of Interest Rates</u>	<u>Total Outstanding</u>	
		<u>31/03/2007</u>	<u>31/03/2006</u>
Consolidated Loans Fund	4.25% - 11.75%	17,828,977	17,199,696
Money Market	3.15% - 4.98%	7,000,000	7,000,000
		<u>24,828,977</u>	<u>24,199,696</u>

Analysis by Principal Due

	<u>£'000</u>
Principal Due in 1-2 years	849
Principal Due in 2-5 years	3,167
Principal Due in 5-10 years	5,303
Principal Due more than 10 years	15,510
	<u>24,829</u>

6 **FIXED ASSET RESTATEMENT ACCOUNT**

	<u>£</u>
Balance at 31 March 2006	36,787,306
Net Book Value of Asset Disposals	<u>-18,075</u>
Balance at 31 March 2007	<u>36,769,231</u>

7 **CAPITAL FINANCING ACCOUNT**

	<u>£</u>
Balance at 31 March 2006	-2,200,286
Add Transfer from Capital Receipts Reserve	115,704
Less Adjustment re Landfill Closure Provision	-175,000
Add Government Grants Deferred Release	186,085
Add Transfer from Loan Repayment Reserve	400,000
Less Transfer to District Fund Summary	-1,954,272
Balance at 31 March 2007	<u>-3,627,769</u>

8 **CAPITAL RECEIPTS RESERVE**

	<u>£</u>
Balance at 31 March 2006	51,422
Receipts for 2006/2007	64,282
Transfer to Capital Financing Account	-115,704
Balance at 31 March 2007	<u>0</u>

9 **FUND BALANCES AND RESERVES**

	<u>31/03/2007</u>	<u>31/03/2006</u>
	<u>£</u>	<u>£</u>
Renewals & Repairs	786,072	582,117
Sinking Fund	946,000	488,000
District Fund	1,030,702	751,606
	<u>2,762,774</u>	<u>1,821,723</u>

At 31 March 2007, £680,000 of the Renewal and Repairs Fund relates to future landfill closure costs.

Council has given approval for a sinking fund bank account to be set up, and this should be in place for the 2007/08 financial statements.

10 **TRUST FUNDS**

Council acts as a trustee for several bodies. As at 31 March 2007, sums held in this capacity were as follows:

	<u>£</u>
Portrush Shopfront Scheme	5,129
Diamond Revitalization (Coleraine)	-25,658
Craft Business Development Scheme	6,706
General	1,913
	<u>-11,910</u>

11 **GOVERNMENT GRANTS DEFERRED**

	<u>£</u>	<u>£</u>
Opening Balance	3,738,280	2,956,971
Receipts	451,861	927,317
Funds Released to Services	-186,085	-146,008
Closing Balance	<u>4,004,056</u>	<u>3,738,280</u>

12 **CAPITAL COMMITMENTS**

As at 31 March 2007 Council has a capital commitment of approximately £300,000 under a contract for the creation of a cell at its Craighulliar Landfill Site.

13 **CONTINGENT LIABILITIES**

As at 31 March 2007 Council does not have any liabilities under this heading.

14 **PROVISIONS**

	<u>31/03/2007</u>	
	£	
(a) <u>Pensions</u>		
Opening Balance	187,114	
Less Payments to NILGOSC 2006/07	-15,743	
Add Re-assessment at Year End	<u>7,143</u>	
Balance at 31/03/07		178,514
 (b) <u>Landfill Closure</u>		
Opening Balance	4,440,000	
Amount Provided 2006/07	<u>-</u>	
Balance at 31/03/07		<u>4,440,000</u>
		<u>4,618,514</u>

Note

The Landfill Closure Provision has been created on the basis of professional advice from Council's consultants RPS Consulting Engineers. The Landfill Site is currently expected to require closure in 2018.

15 **LONG TERM DEBTORS**

	<u>31/03/2007</u>	<u>31/03/2006</u>
N.I. Housing Executive	1,562,112	1,590,600
	<u>1,562,112</u>	<u>1,590,600</u>

16 **INTANGIBLE ASSETS**

	<u>31/03/2007</u>	<u>31/03/2006</u>
Future Landfill Site Closure Costs:		
Opening Balance	3,935,000	4,110,000
Less Depreciation for year	<u>-175,000</u>	<u>-175,000</u>
Closing Balance	<u>3,760,000</u>	<u>3,935,000</u>

STATEMENT OF TOTAL MOVEMENTS IN RESERVES

	Fixed Asset Restatement Account £	Capital Financing Account £	Useable Capital Receipts Reserve £	Pension Reserve £	Sinking Fund £	Renewal & Repairs Fund £	District Fund £	Total £
At 1 April 2006	36,787,306	-2,200,286	51,422	-187,114	488,000	582,117	751,606	36,273,051
Movements on reserves during the year:								
Capital Grants Released	-	186,085	-	-	-	-	-	186,085
Direct Revenue Financing	-	-	-	-	-	-	-	-
Loans fund principal/ depreciation adjustment	-	-1,954,272	-	-	-	-	-	-1,954,272
Receipts Applied	-	-	-	-	858,000	203,955	279,096	1,341,051
Payments to NILGOSC	-	-	-	15,743	-	-	-	15,743
Disposal of Fixed Assets/ Capital Sales	-18,075	-	64,282	-	-	-	-	46,207
Capital Receipts used to finance capital expenditure	-	115,704	-115,704	-	-	-	-	0
Other Adjustments	-	225,000	-	-	-400,000	-	-	-175,000
Revaluation	-	-	-	-7,143	-	-	-	-7,143
Total movements on reserves during the year:	-18,075	-1,427,483	-51,422	8,600	458,000	203,955	279,096	-547,329
(Change in Net Worth) At 31 March 2007	36,769,231	-3,627,769	0	-178,514	946,000	786,072	1,030,702	35,725,722

CASH FLOW STATEMENT AS AT 31 MARCH, 2007

	£	<u>2006/07</u> £	<u>2005/06</u> £
<u>Revenue Activities</u>			
Net cash inflow from operating activities (Note 1)		3,302,730	2,677,392
Returns on Investments and Servicing of Finance			
<i>Cash outflows</i>			
Interest paid	-1,469,823		
<i>Cash inflows</i>			
Interest received	<u>141,401</u>		
Net Cash Outflow from Returns on Investments & Servicing of Finance		-1,328,422	-1,494,986
Capital Activities			
<i>Cash outflows</i>			
Purchase of fixed assets	-2,910,069		
<i>Cash inflows</i>			
Sale of fixed assets	64,282		
Capital grants received	<u>535,181</u>		
Net Cash Outflow from Capital Expenditure		<u>-2,310,606</u>	<u>-988,454</u>
Net cash (outflow)/inflow before financing		-336,298	193,952
Management of Liquid Resources			
Net increase/decrease in short-term deposits		-	-
Financing			
<i>Cash outflows</i>			
Repayments of amounts borrowed	-2,219,754		
<i>Cash inflows</i>			
New loans raised	<u>2,000,000</u>		
Net Cash Outflow from Financing		<u>-219,754</u>	<u>-874,976</u>
Net (decrease) in cash and cash equivalents		-556,052	-681,024

This statement summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes. Cash is defined for the purpose of this statement, as cash in hand and deposits repayable on demand less overdrafts repayable on demand.

NOTES TO CASH FLOW STATEMENT

Note 1:

Reconciliation of Surplus/(Deficit) to Net Cash Inflow/(Outflow) from Operating Activities

	2006/07 £	2006/07 £
Surplus/(Deficit) for year		-547,329
<u>Non Cash Transactions</u>		
Depreciation	2,545,537	
Deferred Grants amortised in year	-186,085	
Contributions to Other Reserves/Provisions	<u>190,743</u>	
		2,550,195
<u>Adjustment for items reported separately on Cashflow</u>		
Interest and Investment Income (Ordinary interest received)		-141,401
Interest payable and similar charges including gains or losses on the repurchase or early settlement of borrowings		1,436,421
Gain or loss on the disposal of fixed assets		-25,241
<u>Items on an Accruals Basis</u>		
Decrease in Stock		14,995
Decrease in Debtors		49,575
Decrease in Creditors		-34,485
Net cash inflow from operating activities		<u><u>3,302,730</u></u>

Note 2
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 £	Net Debt £
Balance at 1 April 2006	-716,627	1,063,000	346,373	-3,219,754	-24,199,696	-27,073,077
Cashflow/changes in year	-279,124	-276,928	-556,052	849,035	-629,281	-336,298
Balance at 31 March 2007	-995,751	786,072	-209,679	-2,370,719	-24,828,977	-27,409,375

Note 3
Reconciliation of changes in cash to movement in net debt:

	2006/07 £
Increase/(Decrease) in cash in year	-556,052
Cash inflow/(Outflow) from management of Liquid Resources	-
Cash inflow from new loans raised	-2,000,000
Cash outflow from:	
Loans repaid	2,219,754
Finance Lease repayments	0
Change in net debt resulting from cash flows	-336,298
New Finance Leases	0
Net Debt B/Fwd	-27,073,077
Net Debt C/Fwd	-27,409,375

Note 4
Analysis of changes in cash and cash equivalents during the year

	2007 £	2006 £	Change in Year £
Temporary Investments	786,072	1,063,000	-276,928
Cash	0	0	0
Bank Overdraft	-995,751	-716,627	-279,124
Increase/(Decrease) in year	-209,679	346,373	-556,052

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 Council as the Council designates as its Chief Financial Officer.

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

The Chief Financial Officer's Responsibilities

Under Regulations 4(1) and (2) 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 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 Environment including compliance with the Code of Practice on Local Authority Accounting in the United Kingdom (SORP - Statement of Recommended Practice) as amended and augmented from time to time;
- follow relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis; and
- make judgements and estimates that are reasonable and prudent.

The Chief Financial Officer is also required to;

- keep proper accounting records which are up to date; and
- take reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL

- 1 This statement is given in respect of the statement of accounts for Coleraine Borough Council.
We acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.
- 2 The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.
- 3 The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council. In particular, the system includes:
 - comprehensive budgeting systems;
 - regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts;
 - setting targets to measure financial and other performance;
 - the preparation of regular financial reports which indicate actual expenditure against the forecasts;
 - clearly-defined capital expenditure guidelines; and
 - as appropriate, formal project management disciplines.
- 4 Council's internal audit service is provided by a single member of staff, supplemented, where appropriate, by external consultants as regards specific projects.

The Internal Auditor reports to the Director of Corporate Services, and provides an independent opinion on the adequacy and effectiveness of the system of internal financial control. Audits are carried out in accordance with a strategic plan. Appropriate risk assessments were made in the preparation of this plan.
- 5 As part of its Corporate Governance arrangements, Council has established an Audit Committee. The Committee has responsibility for promoting internal control and review of financial procedures.
- 6 Our review of the effectiveness of the system of internal financial control is informed by:
 - the work of managers within the Council;
 - the work of the Internal Auditor as described above, and
 - the external auditors in their annual audit letter and other reports.
- 7 Arising from reports of both internal and external auditors, a number of recommendations to enhance the system of internal financial control have been implemented.

8 Council has made preparations for the introduction of a more comprehensive Statement on the System of Internal Control for the 2007/08 financial year. Such preparations include:

- introduction of a Risk Management Policy Statement
- compilation of a Corporate Risk Register
- completion of Departmental Risk Registers
- adoption of procedures for regular monitoring and review of Risks, Registers and associated actions, carried out by both Senior Management and the Audit Committee.

By order of the authority.

Signature _____
Chief Financial Officer

Date _____
29 JUNE 2007

CERTIFICATE OF THE CHIEF FINANCIAL OFFICER

I certify that:-

- (a) The Statement of Accounts for the year ended 31 March 2007 on pages 10 to 27 has been prepared in the form directed by the Department of the Environment (NI) and under the Accounting Policies set out on pages 6 to 9.

- (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.

Signature _____
Chief Financial Officer

Date _____
29 JUNE 2007

COUNCIL APPROVAL OF THE STATEMENT OF ACCOUNTS

These accounts were approved by resolution of the Audit Committee on _____
29 JUNE 2007

Signature _____
Chairman of Audit Committee

Date _____
29 JUNE 2007

LOCAL GOVERNMENT AUDITOR'S REPORT TO THE MEMBERS OF COLERAINE BOROUGH COUNCIL

I have audited the Statement of Accounts of Coleraine Borough Council for the year ended 31 March 2007 under the Local Government (Northern Ireland) Order 2005, which comprise the District Fund Income and Expenditure Account, the Statement of Movement on the District Fund Balance, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement, and the related notes. The Statement of Accounts has been prepared under the accounting policies set out within them.

Respective responsibilities of Chief Financial Officer and Local Government Auditor

The Chief Financial Officer's responsibilities for preparing the Statement of Accounts in accordance with the form directed by the Department of the Environment, including compliance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006, are set out in the Statement of Responsibilities.

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 presents fairly the financial position of the Council in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006 and has been properly prepared in accordance with the Local Government (Northern Ireland) Order 2005.

I review whether the Statement on the System on Internal Financial Control reflects compliance with the requirements of the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006. I report if it does not comply with these requirements or if the statement is misleading or inconsistent with other information I am aware of from my audit of the Statement of Accounts. I am not required to consider, nor have I considered, whether the Statement on the System on Internal Financial Control covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Council's corporate governance procedures or its risk and control procedures.

Basis of Opinion

I conducted my audit in accordance with the Local Government (Northern Ireland) Order 2005, the 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 Statement of Accounts. It also includes an assessment of the significant estimates and judgements made by the Chief Financial Officer in the preparation of the Statement of Accounts, and of whether the accounting policies are appropriate to Coleraine Borough Council 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 applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006, the financial position of Coleraine Borough Council at 31 March 2007 and its income and expenditure for the year then ended, and have been properly prepared in accordance with the Local Government (Northern Ireland) Order 2005.

Audit Certificate

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

Stephen Knox

Local Government Auditor
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

5 October 2007