

**DUNGANNON & SOUTH
TYRONE BOROUGH
COUNCIL**

STATEMENT

OF

ACCOUNTS

**YEAR ENDED
31 MARCH 2007**

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

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DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

Explanatory Foreword

Introduction

The Council's financial performance for the year ended 31 March 2007 is as set out in the District Fund - Income and Expenditure Account and Balance Sheet.

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 2/07 dated 29th March 2007. It is the purpose of this foreword to explain the financial facts in relation to the Council.

This Statement of Accounts explains Dungannon & South Tyrone Council's finances during the financial year 2006/07 and its financial position at the end of that year. It follows approved accounting standards and is necessarily technical in parts.

Statement of Accounts

Income and Expenditure Account

This statement is fundamental to the understanding of a local authority's activities, in that it reports the net cost for the year of *all* the functions for which the authority is responsible, and demonstrates how that cost has been financed from general government grants and income from local taxpayers. It brings together expenditure and income relating to all of the local authority's functions, in three distinct sections, each divided by a sub-total.

Statement of Movement on the General Fund Balance

The Income and Expenditure Account discloses the income receivable and expenditure incurred in operating the Council for the year. The surplus or deficit achieved on the Income and Expenditure Account represents the amount by which income is greater than or less than expenditure. Both income and expenditure are measures using essentially the same accounting conventions (i.e. UK GAAP) that a large (but unlisted) company would use in preparing its audited annual financial statements.

Statement of Total Recognised Gains and Losses (STRGL)

Not all the gains and losses experienced by a local authority are reflected in the Income and Expenditure Account. For example, gains on revaluations of fixed assets and pension actuarial gains and losses are excluded as they are treated under UK GAAP as arising from asset and liability valuation changes rather than from an entities operating performance. It is necessary to consider all gains and losses recognized in a period when assessing the financial result for the period. FRS 3 *Reporting Financial Performance* requires *all* gains and losses to be included in a Statement of Total Recognised Gains and Losses (STRGL) to be shown with the same prominence as the other primary statements.

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Balance Sheet

The balance sheet is fundamental to the understanding of an authority's financial position at the year-end. It shows its balances and reserves and its long-term indebtedness, and the fixed and net current assets employed in its operations, together with summarized information on the fixed assets held.

Cash Flow Statement

This consolidated statement summaries 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.

Financial Report

District Fund

The net operating expenditure for the year was £10,133,426 (2006 £9,257,925). The amount raised from general grant and district rates for the year was £10,283,478 (2006 £9,354,471).

There was a net decrease on the District Fund balance for the year of £47,986 (2006 deficit £486,275). This gives a District Fund balance carried forward of £1,944,331.

Capital expenditure and borrowing

Capital expenditure for the year totaled £999,792. Of the total expenditure £416,436 was met from revenue, £226,260 from grants and £364,378 loans and leases; leaving a balance un-financed which due to the timing of expenditure will be financed in the coming financial year.

One of the principle means of financing the Councils capital expenditure programme is borrowing from the Government Loans Fund. At 31 March 2007 £1,995,999 was outstanding from borrowings (2006 £1,941,741).

The following gives the comparison between the budget and actual out turn.

	Actual	Budget	Variance Fav / (Adv)
Net Costs	10,331,464	10,663,137	331,673
General Grant	2,239,804	2,130,637	109,167
District Rates	8,043,674	7,579,294	464,380
Movement on District Fund Balance	47,986	953,206	905,220

The variance of £905,220 consists of £573,547 re general grant and rates finalisations with the balance being due to decrease in net costs.

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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 36 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 14 to 19.
- (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.

Alan Burke
Chief Financial Officer

27th June 2007
Date

Council Approval of Statement of Accounts

These accounts were approved by resolution of the Corporate Services Committee on 27th June 2007.

Phelim Gildernew
Chairman

27th June 2007
Date

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

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. These accounts were approved by Corporate Services Committee on 27th June 2007.

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 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 judgments 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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Statement on the System of Internal Financial Control

- 1 This statement is given in respect of the statement of accounts for Dungannon & South Tyrone Borough Council. I 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 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 Our internal audit arrangement is contracted to Deloitte. They were appointed in November 2006 for a period of Three financial years. Audits have been conducted in accordance with the mandatory standards and good practice contained within the CIPFA Code of Practice for Internal Audit in Local Government in the UK (2006) and additionally from Deloitte internal quality assurance systems. The Operational Plan for 2006/07 was based on a Three year Audit Strategy developed in November 2006 and approved by the Audit & Risk Committee in December 2006. The areas covered in 2006/07 were:-
 - Bank & Cash (excl petty cash)
 - Travel & Subsistence / Councillor Payments
 - Payroll
 - Fixed Assets
 - Procurement (pre-award stage)
 - Review of SLA/Partner Arrangement

An Audit & Risk Committee was set up during 2006/07, its first meeting taking place in September 2006 and Internal Audit have been represented at all subsequent meetings.

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During the 2006/07 financial year the Council have established processes in an attempt to implement a robust risk management framework within the organization. This has included the creation of divisional and corporate risk registers. These are being updated on an ongoing basis through consultation with Council senior management and other key stakeholders.

In accordance with the annual reporting requirements, set out in the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006, Deloitte has provided a statement of assurance for year ended 31st March 2007 to the Chief Executive and this has also been presented to the Audit & Risk Committee.

Internal Audit provides an independent opinion on the adequacy and effectiveness of the system of internal financial control.

5 My review of the effectiveness of the system of internal financial control is informed by:

- The work of the managers within the Council;
- The work of the internal auditors as described above; and
- The external auditors in their annual audit letter and other reports.

6 Based on the conclusion of their work, Internal Audit has been able to provide Council's Chief Financial Officer with a partial level of assurance in relation to the organisation's arrangements for risk management control and governance. Documentation and business case weakness issues have been identified in their review of procurement (partnering arrangements and fixed assets reports are in draft status at the time of completion of the accounts). These procurement issues have been presented to June Audit & Risk Committee along with proposed actions to deal with the identified weakness.

7 Implementation of a Statement of Internal Control - I am aware of the recommendation for Councils to produce a statement of internal control and am taking reasonable steps to comply with the Department of Finance and Personnel's (DFP) requirement for this statement to be prepared for the year ended 31 March 2008, in accordance with guidance issued by DFP.

Alan Burke
Chief Financial Officer

27th June 2007

Date

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

LOCAL GOVERNMENT AUDITOR'S REPORT TO THE MEMBERS OF DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

I have audited the Statement of Accounts of Dungannon & South Tyrone 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.

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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 Dungannon & South Tyrone 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 Dungannon & South Tyrone 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

26th October 2007

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District Fund - Income and Expenditure Account for the year ended 31 March 2007

	<i>Notes</i>	2006/07 Gross Expenditure	2006/07 Gross Income	Net Expenditure/ (Income)	2005/06 Net Expenditure/ (Income) Re-stated *
		£	£	£	£
Services Expenditure					
Leisure and Recreational Services		4,415,453	871,464	3,543,989	3,288,862
Environmental Services		6,108,868	1,009,574	5,099,294	4,504,618
DRM and Corporate Management		818,638	0	818,638	331,309
Other Services		1,614,897	966,422	648,475	1,096,011
Continuing operations		12,957,856	2,847,460	10,110,396	9,220,800
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		12,957,856	2,847,460	10,110,396	9,220,800
Gain or loss on disposal of fixed assets	23	0	0	0	0
(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)	168,011	0	168,011	170,385
Interest and Investment Income	6b)	0	144,981	(144,981)	(133,260)
Pensions interest cost and expected return on pensions assets		0	0	0	0
Extraordinary Items		0	0	0	0
Net Operating Expenditure		13,125,867	2,992,441	10,133,426	9,257,925
Income from General Grant and District Rates					
General Grant		0	2,239,804	(2,239,804)	(2,310,295)
District Rates	8	0	8,043,674	(8,043,674)	(7,044,176)
(Surplus)/Deficit for the year		13,125,867	13,275,919	(150,052)	(96,546)

The comparative figures have been re-stated to reflect the removal of the capital financing charge – see note 1 c) (x) to the Financial Statements

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Statement of Movement on the District Fund Balance for the year ended 31 March 2007

		2006/07	2005/06
	Notes	£	£
(Surplus)/Deficit for the year on the District Fund - Income and Expenditure Account	3	(150,052)	(96,546)
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	198,038	582,821
Movement on the District Fund Balance for the year	3/23	47,986	486,275
District Fund Balance Brought Forward	23	(1,992,317)	(2,478,592)
District Fund Balance Carried Forward	23	(1,944,331)	(1,992,317)

Statement of Total Recognised Gains and Losses for the year ended 31 March 2007

		2006/07	2006/07	2005/06	2005/06
	Notes	£	£	£	£
(Surplus)/Deficit on the District Fund - Income and Expenditure Account for the year	3		(150,052)		(96,546)
(Surplus)/Deficit arising on revaluation of fixed assets			0		0
Revaluation of pension reserve/provision	19/23		12,996		78,567
Any other gains and losses required to be included in the Statement of Total Recognised Gains and Losses					
Other: Tullyvar Investment	25		(180,663)		(101,930)
Total recognised gains and losses for the year (Change in Net Worth)			(317,719)		(119,909)
Prior period adjustments made during the year					
Total gains and losses recognised since last annual report (Change in Net Worth)			(317,719)		(119,909)

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Balance Sheet as at 31 March 2007

	Notes	2006/07 £	2005/06 £
FIXED ASSETS			
Intangible Assets	10	0	0
Tangible Fixed Assets			
<i>Operational Assets:</i>			
Land & Buildings	10	19,600,801	19,425,269
Infrastructure Assets	10	422,866	562,729
Community Assets	10	173,041	173,041
Vehicles, Plant, Furniture and Equipment	10	980,855	929,185
<i>Non-Operational Assets:</i>			
Investment Properties		0	0
Assets under Construction	10	236,154	79,123
Surplus Assets held for Disposal			
TOTAL FIXED ASSETS	10	21,413,717	21,169,347
Long Term Investments	25	1,446,092	1,265,429
Long Term Debtors	14a	1,151	0
Deferred Premiums on early repayment of debt		0	0
TOTAL LONG TERM ASSETS		22,860,960	22,434,776
CURRENT ASSETS			
Stocks	13	95,112	91,652
Debtors	14b	1,615,469	1,571,402
Short Term Investments	15/22a	1,757,791	2,183,583
Cash and Bank	22a	624,135	444,505
		4,092,507	4,291,142
TOTAL ASSETS		26,953,467	26,725,918
CURRENT LIABILITIES			
Borrowing repayable on demand or within 12 months	16	132,046	125,442
Creditors	16	1,886,352	2,091,041
Bank Overdraft		0	0
		2,018,398	2,216,483
NET CURRENT ASSETS		2,074,109	2,074,659
TOTAL ASSETS LESS CURRENT LIABILITIES		24,935,069	24,509,435
LONG TERM LIABILITIES			
Borrowing repayable within a period in excess of 12 months	17	1,863,953	1,816,300
Deferred Liabilities	18	454,774	476,258
Government Grants – deferred	20/23	1,813,081	1,723,664
Provisions	19	269,338	277,011
		4,401,146	4,293,233
TOTAL ASSETS LESS LIABILITIES		20,533,923	20,216,202
RESERVES:			
Fixed Asset Restatement Account	23	13,724,121	13,724,121
Capital Financing Account	23	3,110,571	2,961,076
Useable Capital Receipts Reserve	23	0	0
Pensions Reserve	23	(269,338)	(277,011)
Capital Fund	23	0	0
Renewal and Repairs Fund	23	578,146	550,270
Tullyvar Reserves & Loan Balance	23	1,446,092	1,265,429
District Fund	23	1,944,331	1,992,317
Net Worth		20,533,923	20,216,202

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Cash Flow Statement as at 31 March 2007

	Notes	2006/07 £	2005/06 £
REVENUE ACTIVITIES			
Net Cash Inflow from Operating Activities	21	525,390	1,349,842
Returns on Investments and Servicing of Finance			
Cash Outflows			
Interest paid	(133,166)	(160,918)	
Interest element of finance lease payments	(35,111)	(12,249)	
Cash Inflows			
Interest received	147,304	112,796	
Net Cash Outflow from Returns on Investments and Servicing of Finance		(20,973)	(60,371)
CAPITAL ACTIVITIES			
Cash Outflows			
Purchase of fixed assets	(832,195)	(1,174,746)	
Purchase of long term investments	0	0	
Other capital cash payments	0	0	
Cash Inflows			
Sale of fixed assets	0	47,641	
Other grants	22d 253,556		
Other capital cash receipts	0	313,842	
Net Cash Outflow from Capital Expenditure before Financing		(578,639)	(813,263)
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 (125,443)	(125,105)	
Capital element of finance lease rental payments	22c (226,197)	(208,449)	
Cash Inflows			
New loans raised	22c 179,700	0	
New short term loans	0	0	
		(171,940)	(333,554)
Increase/(Decrease) in Cash and Cash Equivalent	22a	(246,162)	142,654

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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 2006: 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 2006 SORP. The 2006 SORP is based on approved accounting standards for the preparation of financial statements for the financial year beginning 1 April 2006. 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 10 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 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.

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Comparability

The financial statements are prepared so as to enable comparison between financial years. To aid comparability the 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 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

All expenditure on the acquisition, creation or enhancement of 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 £1,000 to all fixed assets (on an individual asset basis), meaning only assets over £1,000 are capitalised. Subsequent capital expenditure is capitalised only where it provides an enhancement to the economic benefits of the asset in excess of those previously assessed. Fixed assets are classified into the groupings required by the SORP and valued as follows:

- intangible fixed assets, which can be valued and are capable of being used by the Council for more than one year are included in the Balance Sheet at historical cost, net of amortisation.
- groups of tangible assets, which are interdependent and are capable of being used by the Council for more than one year are included in the Balance Sheet exactly as for other tangible assets.
- tangible assets, capable of being used by the Council for more than one year, are included in the Balance Sheet as follows:
 - i) operational assets (including land and buildings, vehicles, plant and equipment) are included in the Balance Sheet at the lower of net current replacement cost and net realisable value.
 - ii) other operational assets (including infrastructure and community assets which are held for the purposes of the community and where there is little or no prospect of them ever being sold) are included in the Balance Sheet at historical cost, net of depreciation.

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- iii) 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 and net realisable value - in the case of investment properties, this is normally open market value.
- iv) other non-operational assets (including assets under construction) are included in the Balance Sheet at historical cost.
- v) land, buildings, installations, and fittings are valued at open market valuation for their existing use, except land and buildings that are surplus to requirements which are valued at open market value for their alternative use. An independent valuer carries out valuations at five-yearly intervals. Surpluses arising from the revaluation of land and buildings are taken directly to the fixed asset restatement account, which is an account that cannot be used to support spending. Community assets are included at historical cost less depreciation or, where historical cost is unavailable, a nominal £1 valuation. Equipment is valued at historic cost. Assets in the course of construction are valued at cost.
- vi) in accordance with Financial Reporting Standard 11 Impairment of Fixed Assets and Goodwill (FRS 11), the valuer also reviews assets for impairment due to one or more of the following events:
 - a significant decline in a fixed asset's market value
 - evidence of obsolescence or physical damage
 - significant adverse change in the statutory or other regulatory environment in which the Council operates
 - a commitment by the Council to undertake significant re-organisation.

Impairment losses arising from asset use (e.g. physical damage or deterioration) are charged to the service account and are an appropriation to the Capital Financing Account. The Capital Financing Account contains 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. The Capital Financing Account is a statutory account that cannot be used to support spending. This ensures that the overall revenue effect is neutral and that no cost falls to the ratepayer. Impairment losses may be reversed if circumstances change.

- vii) 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. 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 Valuation and Lands Agency. Depending on the type of building, installation or fitting the maximum useful life will be in the range of 15 to 50 years
 - plant and machinery, office equipment and miscellaneous equipment (excluding IT equipment) are depreciated on historic cost using a standard life of 5 years. Vehicles are depreciated on historic cost using a standard life of 6 years. IT equipment is depreciated using a standard life of 3 years.

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- 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.
- viii) income from the disposal of fixed assets is credited to the useable capital receipts reserve and the net book value is written off against the fixed asset restatement account, in the Balance Sheet. Whilst this is contrary to the requirements of Financial Reporting Standard 3 Reporting Financial Performance (FRS 3) it is consistent with the SORP.
- ix) 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.
- x) 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.
- xi) any grant contribution towards the purchase of a fixed asset is taken to the deferred grants reserve in the Balance Sheet. The balance is then written-off to the District Fund - Income and Expenditure Account 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 an amount of £2,500. 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 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).

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

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 11 % (increasing to 13% after 1st April 2007). At the last actuarial valuation, dated 31st March 2005, a deficit is projected with a significant increase in contributions required.

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.

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

1k) Foreign Currency Translation

Income and expenditure arising from transactions denominated in a foreign currency are translated into £ sterling at an average exchange rate.

At each balance sheet date, monetary assets and liabilities denominated in a foreign currency are translated using the closing rate of exchange.

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

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

	Notes	2006/07 £	2006/07 £	2005/06 £	2005/06 £
Surplus for the year on the District Fund - Income and Expenditure Account			150,052		96,546
<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		(416,436)		(805,896)
Deferred grants amortised in the year	23		(136,843)		(117,018)
Loans fund & Lease principal/depreciation adjustment:					
Depreciation charged in the year	10	755,422		716,034	
Loans fund & Lease principal repayments during the year		<u>(351,637)</u>		<u>(333,555)</u>	
	23		403,785		382,479
Transfers to/from earmarked reserves:					
Capital Fund	23		0		0
Renewal and Repairs Fund	23		(27,875)		(22,317)
Pension Reserve	23		(20,669)		(20,069)
Gain/loss on disposal of fixed assets	23		0		0
Other			<u>0</u>		<u>0</u>
Net adjustments to Income & Expenditure Account			(198,038)		(582,821)
Movement on the District Fund Balance for the year	23		(47,986)		(486,275)
District Fund Balance Brought Forward	23		<u>1,992,317</u>		<u>2,478,592</u>
District Fund Balance Carried Forward	23		<u>1,944,331</u>		<u>1,992,317</u>

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

4. Operating Expenses

- 4a) **Section 115** of the Local Government Act (Northern Ireland) 1972 enables District 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 0.5p in the pound on the rateable value of domestic hereditaments equivalent to £26,757 in 2006/07 (2005/06 £25,201) for the benefit of all the inhabitants in their district, or part of their district on activities not specifically authorised by other powers.

Expenditure amounted to £5,000 in 2006/07 (2005/06 £0).

- 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:

	2006/07	2005/06
	£	£
Promoting tourism	10,238	9,912
Promoting leisure facilities	16,845	16,550
Community relations	3,466	4,067
Refuse collection	2,885	2,009
Other advertising	58,979	36,958
	92,413	69,496

4c) External Audit Fees & Grant Fees

	2006/07	2005/06
	£	£
Local Government Audit	19,185	20,071

There were no other fees payable in respect of any other services provided by the appointed auditor over and above those described above (2005/06 £NIL).

4d) Leases

Expenditure during the year on finance lease rentals was £263,361 (2005/06 £246,703) and outstanding finance lease rentals at 31 March 2006/07 are as follows:

	2006/07	2005/06
	£	£
2006/07	0	241,975
2007/08	219,870	184,007
2008/09	204,969	170,305
2009/10	119,443	104,041
2010/11 – 2011/14	143,448	81,787
	687,730	782,115

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

5. Employee Costs and Members' Allowances

5a) Staff Costs

	2006/07	2005/06
	£	£
Salaries and wages	5,809,602	5,648,515
Employers National Insurance	452,947	363,585
Employers pension costs	509,581	341,040
	6,772,130	6,353,140

Included in the above costs is £113,174 in respect of staff who work for Tullyvar Waste Joint Committee.

In addition, agency costs during the year amounted to £97,032.

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

	2006/07	2005/06
	FTE	FTE
Technical services	128	123
Leisure services	76	82
Other	68	58
	272	263
Full-time numbers employed	247	236
Part-time numbers employed	40	38
	287	274

Included in the technical services category are 5 employees who work for Tullyvar Waste Joint Committee, on a full time basis.

5c) Senior Employees' Remuneration

	2006/07	2005/06
	Number	Number
£50,001 to £60,000	3	3
£60,001 to £70,000	2	0
£70,001 to £80,000	1	1
£80,001 to £90,000	0	0
	6	4

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

5d) Members' Allowances

During the year, Members' allowances (section 36) totaled £184,737 (2005/06 £162,183) and are as follows:

	2006/07	2005/06
	£	£
Basic Allowance	108,459	103,075
Attendance Allowance	49,070	41,580
Special Responsibility Allowances	17,173	10,223
Miscellaneous	0	0
Employer Costs	<u>10,035</u>	<u>7,305</u>
	<u>184,737</u>	<u>162,183</u>

6a) Interest Payable and Similar Charges

	2006/07	2005/06
	£	£
Total interest charges	132,900	140,028
Other Interest payable	<u>35,111</u>	<u>30,357</u>
	<u>168,011</u>	<u>170,385</u>

6b) Interest and Investment Income

	2006/07	2005/06
	£	£
Current account interest	26,703	34,337
Short-term deposit interest	<u>118,278</u>	<u>98,923</u>
	<u>144,981</u>	<u>133,260</u>

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

7. Related Party Transactions

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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 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 2006/07 financial year the Council commissioned no works and services from companies in which Councillors had an interest.

The Council also paid grants of £200,274 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 paid £910,281 to Tullyvar Waste Joint Committee in respect of landfill charges and received £11,000 in respect of a management fee.

The Council provides administration support to a number of other related organisations. During 2006/07, the Council had no income from these organisations.

During 2006/07 the Council had expenditure of £269,012 to other Councils and £42,020 received from other Councils, of which £17,593 (note 14) was outstanding at 31 March 2007. These amounts mainly related to services provided.

8. District Rates

	2006/07	2005/06
	£	£
Current Year	7,879,294	6,821,765
Prior year finalisation (estimate/actual)	164,380	222,411
	8,043,674	7,044,176

Included in the current year figure is a debtor of £300,000 re the 2006/07 year finalisation.

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

9. Significant Trading Operations

The council operates a market in Aughnacloy town centre on a Wednesday. The financial results are:

	2006/07	2005/06
	£	£
Income from trading	2,148	2,700
Expenditure	0	0
Surplus/(Deficit) for the year	2,148	2,700

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

10. Fixed Assets

	Land & Buildings £	Infrastructure Assets £	Community Assets £	Vehicles, Plant, Furniture & Equipment £	Non-Operational £	TOTAL £
Cost or Valuation						
At 1 April 2006	20,492,817	721,515	173,041	4,129,049	79,123	25,595,545
Revaluation	0	0	0	0	0	0
Additions	245,695	23,655	0	430,251	300,191	999,792
Transfers	143,160	0	0		(143,160)	0
Disposals (Note 21)		0	0	(28,065)	0	(28,065)
At 31 March 2007	20,881,672	745,170	173,041	4,531,235	236,154	26,567,272
Depreciation						
At 1 April 2006	1,067,547	158,787	0	3,199,864	0	4,426,198
Revaluation	0	0	0	0	0	0
Disposals	0	0	0	(28,065)	0	(28,065)
Provided for year	331,136	45,705	0	378,581	0	755,422
At 31 March 2007	1,398,683	204,492	0	3,550,380	0	5,153,555
Net Book Value						
At 31 March 2007	19,482,989	540,678	173,041	980,855	236,154	21,413,717
At 31 March 2006	19,425,270	562,728	173,041	929,185	79,123	21,169,347

The Council is not aware of any material changes in value of freehold and leasehold properties and therefore the 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).

LEASED ASSETS (included within vehicles and equipment)

	Vehicles £	Equipment £	TOTAL £
Cost or Valuation			
At 1 April 2006	1,839,936	557,850	2,397,786
Additions	173,678	11,000	184,678
Disposals	0	0	0
At 31 March 2007	2,013,614	568,850	2,582,464
Depreciation			
At 1 April 2006	1,318,333	524,182	1,842,515
Disposals	0	0	0
Provided for year	187,996	4,610	192,606
At 31 March 2007	1,506,329	528,792	2,035,121
Net Book Value			
At 31 March 2007	507,285	40,058	547,343
At 31 March 2006	521,603	33,668	555,271

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

11. Capital Expenditure

	Note	2006/07 £	2005/06 £
Expenditure			
Land and buildings		545,886	818,401
Major works		0	0
Vehicles, plant, equipment and other		453,906	585,964
	10	<u>999,792</u>	<u>1,404,365</u>
Financed By			
Borrowings:			
Loans	22c	179,700	0
Finance leases	22c	184,678	235,365
Grants receivable	20	226,260	313,843
Capital receipts	23	0	47,641
Sale of fixed assets			
Revenue contributions to capital	23	416,436	805,896
		<u>1,007,074</u>	<u>1,402,745</u>
Surplus/(Deficit)		7,282	(1,620)
Balance at 1 April 2006		(260,573)	(258,953)
At 31 March 2007		<u>(253,291)</u>	<u>(260,573)</u>

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

The balance of £253,291 relates to capital expenditure which will be financed via loans after 31 March 2007.

12. Future Capital Commitments

At 31 March 2007 the Council had committed £435,502 to capital contracts, (Refuse Vehicle - £111,400 and Land and Buildings - £324,102)

13. Stock

	2006/07 £	2005/06 £
Central Stores	56,302	60,272
Other	38,810	31,380
Total	<u>95,112</u>	<u>91,652</u>

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

14. Debtors

	2006/07	2005/06
	£	£
a) Long Term Debtors: amounts falling due in more than one year		
Employee car loans	1,151	0
b) Debtors: amounts falling due in less than one year		
Government Departments	1,042,987	825,965
Other Councils (note 7)	17,593	4,013
Value Added Tax	247,398	207,064
Payments in advance	131,892	94,313
Other	178,099	442,547
	1,617,969	1,573,902
less: provision for doubtful debts	(2,500)	(2,500)
	1,615,469	1,571,402
Total debtors	1,616,620	1,571,402

15. Short-term Investments

	2006/07	2005/06
	£	£
Bank Deposits	1,757,791	2,183,583

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

16. Creditors

	2006/07	2005/06
	£	£
Amounts falling due in less than one year		
Government Departments	59,098	32,599
Other Councils	59,714	32,852
Receipts in advance	53,168	36,144
Deferred Liability	191,578	211,613
Other	<u>1,522,794</u>	<u>1,777,833</u>
	1,886,352	2,091,041
Borrowing re-payable within one year	<u>132,046</u>	<u>125,442</u>
Total creditors	<u>2,018,398</u>	<u>2,216,483</u>

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

	2006/07	2005/06
	£	£
Borrowings repayable within a period in excess of 1 year	<u>1,863,953</u>	<u>1,816,300</u>
Borrowing analysed by maturity dates of loans		
Maturing between 1 and 2 years	0	13,352
Maturing between 2 and 5 years	25,377	27,991
Maturing between 5 and 10 years	834,420	616,173
Maturing in more than 10 years	<u>1,131,552</u>	<u>1,283,421</u>
Government Loans Fund	<u>1,991,349</u>	<u>1,940,937</u>

Interest rates on Government Loans range between 4.55% and 16.25%.

18. Deferred Liabilities

	2006/07	2005/06
	£	£
Between 1 and 5 years	432,301	450,293
In more than 5 years	<u>22,471</u>	<u>25,965</u>
	<u>454,772</u>	<u>476,258</u>

This represents the principal outstanding for assets acquired under finance leases.

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

19. Provisions

This is the Council's pension provision, which is an estimated liability in respect of discretionary payments awarded to employees granted early retirement. This pension provision is matched in the balance sheet by a reserve of the same amount.

Movements on this provision are as follows:

	2006/07	2005/06
	£	£
Opening balance	277,011	218,513
Less: payments to NILGOSC	(20,669)	(20,069)
Add:		
Revaluation (note 23)	12,996	78,567
amounts arising during the year		
	269,338	277,011

20. Deferred Grants

	2006/07	2005/06
	£	£
Opening balance	1,723,664	1,526,840
Add: new grants received (note 23)	226,260	313,842
Less: amounts released to the District Fund - Income and Expenditure Account (note 21)	(136,843)	(117,018)
	1,813,081	1,723,664

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

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

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

	Note	2006/07 £	2006/07 £	2005/06 £	2005/06 £
Surplus/Deficit for year	3		150,052		96,546
<u>Non-cash transactions</u>					
Depreciation	3,10	755,422		716,034	
Deferred Grants amortised in year	3,20,23	(136,843)		(117,018)	
Contribution to other Reserves		<u>(20,667)</u>	597,912	<u>(20,069)</u>	578,947
<u>Adjustment for items reported separately on Cashflow</u>					
Interest and Investment Income			(144,981)		(110,943)
Interest payable and similar charges including gains or losses on the repurchase or early resettlement of borrowings	6a)		168,011		171,777
Gain or loss on disposal of fixed assets	3,23		0		0
<u>Items on an accruals basis</u>					
Increase in stock			(3,460)		(25,368)
Decrease in debtors			(74,837)		(316,369)
Increase in creditors			<u>(167,307)</u>		<u>955,252</u>
Net Cash Inflow from Operating Activities			<u>525,390</u>		<u>1,349,842</u>

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

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

		2006/07	2005/06	Change in	2005/06
	Notes			the year	
		£	£	£	£
Temporary Investments		1,757,791	2,183,583	(425,792)	87,676
Cash		624,135	444,505	179,630	54,978
Total		2,381,926	2,628,088	(246,162)	142,654

The Council classes liquid resources as short-term deposits, which do not have a fixed-term investment date. Only current asset investments are included. Within temporary investments is £576,630 ring fenced in respect of the Repairs & Renewals Reserve.

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 2006	444,505	2,183,583	2,628,088	(125,442)	(1,816,300)	(687,871)	(1,525)
Change in Year	179,630	(425,792)	(246,162)	(6,604)	(47,653)	226,197	(74,222)
Other non cash changes - new finance leases						(184,678)	(184,678)
Balance at 31 March 2007	624,135	1,757,791	2,381,926	(132,046)	(1,863,953)	(646,352)	(260,425)

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

	2006/07 £	2005/06 £
Increase in cash in year	(246,162)	142,654
Cash inflow from new loans raised	(179,700)	0
Cash outflow from:		
Loans repaid	125,443	125,105
Finance lease repayments	226,197	333,554
Change in net debt resulting from cash flows	(74,222)	476,208
New finance leases	(184,678)	(235,365)
Net debt b/fwd	(1,525)	(242,368)
Net debt c/fwd	(260,425)	(1,525)

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

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

	2006/07
	£
CAPITAL GRANTS	253,556
Sub-total	<hr/> 253,556
REVENUE GRANTS	
Community Services	194,428
Environmental Health	30,932
Economic Development	669,592
Community Relations	340,204
Recreation Grounds	
Sports Development	
Tourism	
Arts development	6,100
Waste Management	155,806
District Policing Partnership	102,735
Sub-total	<hr/> 1,499,797
Total Grants	<hr/> <u>1,753,353</u>

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

23 Movements on Reserves

	Note	Fixed Asset Restatement Account £	Capital Financing Account £	Usable Capital Receipts Reserve £	Pension Reserve £	Capital Fund £	Renewal & Repairs Fund £	Election Reserve £	District Fund £	Other Reserves £	TOTAL £
		23a)	23b)	23c)	19	23d)	23e)				
At 1 April 2006		13,724,121	2,961,076	0	(277,011)	0	550,270	0	1,992,317	1,265,429	20,216,202
Movements on reserves during the year:											
Capital Grants Released	21		136,843								136,843
Direct Revenue Financing	3,11		416,436								416,436
Loans fund principal/depreciation adjustment	3		(403,784)								(403,784)
Receipts Applied						0	27,876		(47,986)	180,663	160,552
Payments to NILGOSC	19, 21				20,669						20,669
Disposal of Fixed Assets/Capital Sales	10	0		0							0
Capital Receipts used to finance capital expenditure				0							0
Revaluation	19				(12,996)						(12,996)
Total movements on reserves during the year: (Change in Net Worth)		0	149,495	0	7,673	0	27,876	0	(47,986)	180,663	317,720
At 31 March 2007		13,724,121	3,110,571	0	(269,338)	0	578,146	0	1,944,331	1,446,092	20,533,922

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

23a) Fixed Asset Restatement Account

The Fixed Asset Restatement Account is debited or credited with the deficits or surpluses that arise on the revaluation of fixed assets as well as being written down by the net book value of assets when they are disposed of. This account cannot be used to support spending.

23b) Capital Financing Account

The Capital Financing Account contains 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 - Income and Expenditure Account 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.

23c) Usable Capital Receipts Reserve

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

23d) Renewal and Repairs Fund

This fund was established under section 56 of the Local Government Act (NI) 1972.

24. Contingent Liability

During the year the Council carried out a pay and grading review and following on from this there are a number of job evaluation appeals outstanding, it is not possible to estimate the financial liability, if any, in respect of these.

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

25. Investment in Tullyvar Waste Joint Committee

Tullyvar Waste Joint Committee is a landfill site jointly owned and managed by Dungannon and South Tyrone Borough Council and Omagh District Council. The value of Dungannon's investment in Tullyvar is £1,446,092 (£1,265,429 2005/06) which represents half of Tullyvar's net assets employed and is broken down as follows:-

	2006/07	2005/06
	£	£
	50% share	50% share
Fixed Assets	2,843,004	3,007,844
Current Assets	1,896,849	1,512,000
Liabilities	(260,666)	(221,320)
Provisions	(3,033,095)	(3,033,095)
Net Assets	1,446,092	1,265,429

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

Accounts Authorised for Issue

In accordance with Financial Reporting Standard 21 'Events after the Balance Sheet date' (FRS 21) this Statement of Accounts which contains a number of minor amendments from the Accounts approved on 27th June 2007 are at today's date hereby authorised for issue.

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 Iain Frazer
 Chief Financial Officer

Date 22nd October 2007