

Ramsey Town Commissioners

Statement of Accounts

For the year ended 31 March 2014

Ramsey Town Commissioners

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Ramsey Town Commissioners

Explanatory Foreword

Introduction

This Statement provides a summary of the Authority's financial performance for the year ended 31 March 2014. It has been prepared in accordance with the Isle of Man Statement of Recommended Practice 2007 on accounting for entities subject to the Audit Act 2006.

The individual accounts within the Statement are as follows:

The **Income and Expenditure Account** reports the net cost for the year of all functions for which the Authority is responsible and how those costs are financed from income from local ratepayers and other income sources.

The **Statement of the Movement on the General Fund Balance** shows the surplus or deficit on the Income and Expenditure Account adjusted for the additional amounts which are required by statute and non-statutory proper practices to be charged or credited to the General Fund in determining the movement on the General Fund Balance for the year.

The **Housing Revenue Income and Expenditure Account** is an account which independently records the costs of maintaining and managing the Authority's own housing stock and how these costs are met by rent payers, and other income.

The **Statement of the Movement on the Housing Revenue Account Balance** shows the surplus or deficit on the Housing Income and Expenditure Account adjusted for the additional amounts which are required by statute and non-statutory proper practices to be charged or credited to the Housing Account in determining the movement on the Housing Account for the year.

The **Statement of Total Recognised Gains and Losses** shows all gains and losses recognised by the Authority during the year which are not reflected in operating performance within the Income and Expenditure Account.

The **Balance Sheet** sets out the financial position of the Authority at the end of the year.

The **Cash Flow Statement** summarises the inflows and outflows of cash arising from the Authority's transactions with third parties during the year.

The **General Rate Fund** shows the transactions of the Authority as a charging authority in respect of rates income.

This section provides a summary review of performance during the year and of key areas which impact the Authority's financial position.

Income and Expenditure Account

The Income and Expenditure Account covers the day to day running costs of the Authority's services, with the exception of Authority housing which is contained within the Housing Revenue Income and Expenditure Account.

Net expenditure is met from the following sources:

- Income from the General Rate Fund
- Income from social housing
- Miscellaneous income

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Explanatory Foreword (continued)

Income and Expenditure Account (continued)

The income and expenditure account for the year shows a surplus of £369,940 (2013 deficit: £13,552,070) however once the other movements on the general fund have been taken into account, as detailed below, the results show an overall surplus of £150,918 (2013: £291,012).

Statement of the Movement on the General Fund Balance

This relates to amounts which are included in the income and expenditure account but do not relate to the general fund, and items excluded from the income and expenditure account which relates to the general fund.

Primarily the movements relate to the depreciation cost in the year, impairment of fixed assets, income and expenditure on other funds, movement on the pension liability, gains or losses on sale of fixed assets and the inclusion of capital repayments on loans and finance leases which are met by the general fund.

Housing Revenue Account

The Housing Revenue Account shows the income and expenditure on Authority housing. For the year ended 31 March 2014, the deficiency requirement amounted to £1,254,672 (2013: £1,411,512).

Capital Expenditure

Total capital expenditure in the year was £468,564 (2013: £2,067,399).

General Rate Fund

The general rate income due and collected by the Authority is shown in the General Rate Fund. Rates were levied at 348p (2013: 342p) in the £ on an average rateable value of £686,262 (2013: £682,753) during the year.

Pensions Liability

The SORP requires the Authority to disclose certain information within its Financial Statements. Included within that information, and included in note 27, is the net liability on the Isle of Man Local Government Superannuation Scheme that is attributable to Ramsey Town Commissioners.

This is the difference between future liabilities and assets, as valued at 31 March 2014 and amounts to £2,985,000 (2013: £2,022,000). The liability has increased due to a decrease in the real discount rate used, an increase in member life expectancy and an increase in the pension increase rate.

Investments and Borrowing

The Authority borrowed £Nil (2013: £3,609,324) during the year to finance capital expenditure.

Reserves

The Authority has increased its general fund reserves from £1,530,467 in 2013 to £1,681,385 at 31 March 2014. These resources are retained to cover planned and potential expenditure, including support of the capital programme, debt repayment and as a buffer against anticipated financial risks.

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Statement of Accounting Policies

Basis of preparation

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain land and buildings, and in accordance with United Kingdom generally accepted accounting principles.

The accounts have been drawn up in accordance with the Isle of Man Statement of Recommended Practice 2007 on accounting for entities subject to the Audit Act 2006 ("the SORP") issued by Treasury, except as disclosed below. This SORP is recognised under the Audit Act 2006 and the Accounts and Audit Regulations 2013 as representing proper accounting practices. Key principles are set out below.

Tangible fixed assets

Recognition

Expenditure on the acquisition, creation or enhancement of fixed assets has been capitalised on an accruals basis. Capital expenditure incurred on fixed assets that does not materially add to the value of those assets is written off. Assets acquired under finance leases are capitalised and included in the balance sheet except for leases that are in secondary rental periods, where there are no future obligations of material significance.

Assets obtained under operating leases are not included in the Balance Sheet; annual rentals are charged to revenue and transactions are disclosed as a note to the accounts. Operational assets are those used by the Authority in the delivery of services or in pursuit of its strategic or service objectives. Non-operational assets are those held but not directly occupied, used or consumed for those purposes. Assets under the course of construction are included at cost and consist of properties under construction.

Valuations

The SORP requires the dwellings and other land and buildings to be held at the lower of net current replacement cost or net realisable value in existing use.

Operational assets have been valued at the lower of net current replacement cost or net realisable value in existing use. In the case of vehicles, office furniture and plant and equipment, historical costs have been used as a proxy for these values; as inflation is low, prices will not vary significantly over the estimated life of the assets while the Authority depreciates them on a prudent basis using conservative estimates of working lives. As a consequence, the use of historical costs rather than values for these items will not result in a material difference in the Accounts.

Assets classified as 'assets under construction', are initially measured at cost in accordance with the SORP, and consist of costs which are directly attributable to bringing the asset into working condition for its intended use. Subsequently, when the asset has been completed, the SORP requires that the cost is transferred to the appropriate asset category at the lower of net current replacement cost or net realizable value in existing use, with depreciation calculated and applied on this amount.

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Statement of Accounting Policies (continued)

Valuations (continued)

Infrastructure assets and community assets are included in the Balance Sheet at historical cost (net of depreciation where appropriate); if this could not be ascertained, a nominal value has been used. There is no material effect on the Accounts.

Non-operational assets have been valued at the lower of net current replacement cost or net realisable value.

Depreciation

Depreciation is provided on all assets with a finite useful life. In the previous year, no depreciation was applied to the buildings element of the dwellings and other buildings, which is contrary to the accounting treatment required by the SORP. Where depreciation is provided for, assets are being depreciated by applying the straight line method to Balance Sheet values over periods reflecting their estimated useful lives. Assets acquired under finance leases are depreciated over the lease period if this is shorter than their estimated useful life.

Impairment

The value at which each category of assets is included in the Balance Sheet is reviewed at the end of each year: where values have changed materially in the period, the valuations are adjusted to reflect the change. Where a major change in asset values is due to a consumption of economic benefits (such as physical damage), the impairment loss is recognised in the Income and Expenditure Account. Other impairments are recognised in the Revaluation Reserve.

Disposals

Income from the disposal of fixed assets is accounted for on an accruals basis. Capital receipts are held in the Usable Capital Receipts Reserve until such time as they are used to finance other capital expenditure, when they are credited to the Capital Adjustment Account.

Deferred Liabilities

Leases are recorded as finance leases when substantially all the risks and rewards relating to the leased asset transfer to the Authority. Rentals payable are apportioned between the cost of acquisition of the interest in the asset and finance cost which is charged to revenue. The liability is recognised in the balance sheet at the start of the lease and written down as rentals become payable. Further details of the treatment of leased assets are given in relevant sections of this statement.

Housing Deficiency

Housing deficiency is accounted for on an accruals basis and represents an amount due in respect of the shortfall in housing income over housing receipts in the year in accordance with the housing deficiency scheme operated by the Department of Social Care.

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Statement of Accounting Policies (continued)

Accruals of income and expenditure

The capital and revenue accounts of the Authority are maintained on an accruals basis: activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Fees, charges and rents due from tenants are accounted for as income at the date the Authority provides the relevant goods or services.
- Employee costs are charged as expenditure when they are due rather than paid, including any arrears of pay or pay awards.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as stocks on the balance sheet.
- Works are charged as expenditure when they are completed, before which they are carried as works in progress on the balance sheet.
- Works are charged as expenditure when they are completed, before which they are carried as work in progress on the balance sheet.
- Interest payable and receivable on borrowings is accounted for in the year to which it relates, on a basis that reflects the overall effect of the loan or investment.
- Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Income and expenditure are credited and debited to the relevant account, unless they properly represent capital receipts or capital expenditure. These accruals are largely based on known commitments and can be assessed accurately. Where estimates are made, they are based on historical records, precedence and officers' knowledge and experience. In all cases the Authority adopts a prudent approach to avoid overstating its resources.

Value Added Tax

Value Added Tax is included in income and expenditure accounts, whether of a capital or revenue nature, only to the extent that it is irrecoverable.

Overheads

The costs of service management and support services have been fully charged or allocated to service and trading accounts either in relation to the time spent on each revenue service or capital scheme or in proportion to transactions processed for those accounts.

Pension costs

Pension arrangements for Authority employees are handled by the Isle of Man Local Government Superannuation Scheme, which is a funded, defined benefit scheme. The Accounting Policies of the Scheme are those recommended by the SORP and its annual reports are prepared in accordance with the Pensions SORP.

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Statement of Accounting Policies (continued)

Pension costs (continued)

The pension cost has been assessed by the Fund's actuary based on triennial valuations, the 2013/14 contributions being based on the results of the review as at 31 March 2013. These contributions are charged to the Accounts in accordance with statutory requirements. The financial statements have been prepared on the basis that the assets and liabilities arising from an employer's retirement benefit obligations and any related funding are reflected at fair value. The operating costs of providing retirement benefits to employees are recognised in the accounting period(s) in which the benefits are earned by the employees, and the related finance costs and any other changes in value of the assets and liabilities are recognised in the accounting periods in which they arise; and the financial statements contain adequate disclosure of the cost of providing retirement benefits and the related gains, losses, assets and liabilities.

Reserves

Reserves include earmarked reserves set aside for specific policy purposes and balances which represent resources set aside for purposes such as general contingencies and cash flow management. The Authority maintains the following significant reserves:

- **General fund:** set up to act as a buffer against the potential risks of increased expenditure to be charged to future years' Accounts and to assist in organisational development.
- **Usable capital receipts reserve:** these are amounts of capital receipts received to be used to finance future capital expenditure.
- **Housing repairs account:** representing the unspent allowance for repairs on the Commissioner's housing stock.

The following account has been set up as an earmarked reserve:

- **Heating reserve:** surplus funds from the supply of heating to the housing residents.

The following accounts have been established in accordance with the capital accounting provisions. They are not fully backed by cash, nor generally available to finance expenditure.

- **Revaluation Reserve:** representing principally the balance of the surpluses or deficits arising on the periodic revaluation of fixed assets.
- **Capital adjustment account:** amounts set aside from capital receipts or revenue resources to finance expenditure on fixed assets or for the repayment of external loans and certain other capital financing transactions.
- **Pension reserve:** amounts to match liability in respect of the Commissioners' share of the Isle of Man Local Authority Superannuation Scheme.

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Statement of Accounting Policies (continued)

Provisions

The Authority maintains provisions for bad and doubtful debts, which are held against its arrears of major income sources.

Events after the balance sheet date

Post balance sheet events, whether favourable or unfavourable, that affect the conditions existing at the balance sheet date are adjusted in the Accounts and disclosures. For events occurring after the balance sheet date relating to conditions that arose after that date, adjustments are not made in the Accounts but details are disclosed in a note to the balance sheet. These principles apply up to the date when the Accounts are authorised for issue.

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Statement of Responsibilities for the Statement of Accounts

The Authority's responsibilities

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs through the appointment of a Responsible Financial Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Responsible Financial Officer's responsibilities

The Responsible Financial Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the Isle of Man Statement of Recommended Practice 2007 on accounting for entities subject to the Audit Act 2006 ("the SORP").

In preparing this Statement of Accounts, the Responsible Financial Officer should:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that were reasonable and prudent; and
- comply with the SORP.

The Responsible Financial Officer should also:

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

The Responsible Financial Officer should sign and date the statement of accounts, stating that it presents fairly the financial position of the body at the accounting date and its income and expenditure for the year ended 31 March 2014.

Ramsey Town Commissioners

Statement of Internal Control

Introduction

Regulation 9 of the Accounts and Audit Regulations 2013 requires the Authority to conduct a review at least once a year of the effectiveness of its systems of internal control and include a statement on internal control within the Authority's statement of accounts.

This statement is made by Ramsey Town Commissioners to the Isle of Man Government Treasury in accordance with the requirements of the Isle of Man Government's Corporate Governance Principles and Code of Conduct ("the Code").

Responsibilities of the Board and the Responsible Financial Officer

The Board controls strategy, policy and key financial and operational matters within the Authority. In addition, it is the Board's responsibility to ensure that the work of the Responsible Financial Officer and other senior officers supports the strategy and policy approved by the Board.

The Board is responsible for implementing and maintaining systems of internal control and corporate governance which:

- ensure compliance with legislation and other regulations;
- safeguard public money, ensure that it is properly accounted for and that it is used economically, efficiently and effectively; and
- support the achievement of the strategy, policies, aims and objectives approved by the Board.

In discharging this responsibility, the Board works with senior officers to put in place arrangements for the governance of the Authority's affairs and the stewardship of resources, in accordance with the Code.

Internal control and corporate governance environment

The Authority's systems of internal control and corporate governance have been developed through an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The following are considered to be key aspects of the internal control and corporate governance environment:

- **Board meetings**

The Board meets monthly and consists of a Chairman and 11 other Board members. The Board receive reports from the Authority's Officers on operational matters and ensure that the work of the Responsible Financial Officer and other senior officers supports the strategy and policy approved by the Board.

Review of internal control and corporate governance environment

The effectiveness of the Authority's internal control and corporate governance arrangements is continuously assessed by the work of management and the Board.

Further evidence as to the effectiveness of internal controls and corporate governance arrangements is provide by reports issued during the year by the internal auditors.

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Statement of Internal Control (continued)

Report on internal control and corporate governance environment

Attention is drawn to the fact that systems of internal control and corporate governance are designed to manage rather than eliminate the risk of failure to achieve objectives. They can therefore only provide reasonable and not absolute assurance. Accordingly, reasonable assurance is given that, except for the matters listed below, the Authority's internal control and corporate governance arrangements are adequate and operate effectively during the year ended 31 March 2014.

The following improvements have been identified by the internal auditors to address internal control weaknesses:

- Business continuity plans
- Visitors book

(Signed) N. N. Malpas (Signed) [Signature]
(Chairman) (Responsible Finance Officer)

(Dated) 17th December 2014

Ramsey Town Commissioners

REPORT OF THE INDEPENDENT AUDITORS, GRANT THORNTON LIMITED, TO THE COMMISSIONERS OF RAMSEY TOWN COMMISSIONERS

We have audited the financial statements of Ramsey Town Commissioners for the year ended 31 March 2014 which comprise the statement of accounting policies, the income and expenditure account, the statement of the movement on the general fund balance, the housing revenue income and expenditure account, the statement of the movement on the housing revenue account balance, the statement of total recognised gains and losses, the balance sheet, the cash flow statement, the general rate fund and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Statement of Recommended Practice 2007 Accounting for entities subject to the Audit Act 2006 ("the SORP").

This report is made solely to the authority's Commissioners, as a body, in accordance with section 6 of the Audit Act 2006. Our audit work has been undertaken so that we might state to the authority's Commissioners, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the authority and the authority's Commissioners, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Responsible Financial Officer and auditors

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Responsible Financial Officer is responsible for the preparation of the Statement of Accounts, including the financial statements, which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

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

Basis for qualified opinion on financial statements

In the prior year, as disclosed in the statement of accounting policies, dwellings and other buildings were not depreciated as required by section 3.112 of the SORP. It is not practicable to quantify the effect of this departure from the accounting treatment required by the SORP.

Ramsey Town Commissioners

REPORT OF THE INDEPENDENT AUDITORS, GRANT THORNTON LIMITED, TO THE COMMISSIONERS OF RAMSEY TOWN COMMISSIONERS

Qualified opinion on financial statements

In our opinion, except for the effects of the matters described in the basis for qualified audit opinion paragraph, the financial statements:

- give a true and fair view of the state of the authority's affairs as at 31 March 2014 and of its surplus for the year then ended;
- have been prepared in accordance with the requirements of the SORP; and
- have been prepared in accordance with the Accounts and Audit Regulations 2013 made under the Audit Act 2006.

Matters on which we are required to report by exception

Except for the effect on the financial statements of the matters referred to in the basis for qualified opinion, we have nothing to report in respect of the following matters where the section 4 of the Audit Act 2006 requires us to report to you if, in our opinion:

- the financial statements do not comply with the regulations made under section 12 of the Act and any directions under section 13; or
- expenditure or income or any other transaction effected by or on account of the authority is or will be contrary to law; or
- the internal organisation of the authority and the controls maintained by it are not sufficient as to secure proper management of the finances of the authority and economy and efficiency in the use of its resources.

Grant Thornton Limited

Grant Thornton Limited
Chartered Accountants

PO Box 307
Exchange House
54-62 Athol Street
Douglas
Isle of Man
IM99 2BE

Date

19 December 2014

Ramsey Town Commissioners

Income and Expenditure Account

For the year ended 31 March 2014

	2013/14 Gross Expenditure £	2013/14 Gross Income £	2013/14 Net Expenditure £	2012/13 Net Expenditure £
Continuing operations:				
Office administration & Office expenses	922,467	51,806	870,661	812,403
Miscellaneous properties	51,689	25,775	25,914	33,505
Housing & Property	293,826	278,636	15,190	(41,252)
Works & Development	815,447	279,028	536,419	384,383
Parks & Leisure	515,949	73,147	442,802	479,526
Impairment of non-housing assets	-	-	-	1,444,429
Housing Income & Expenditure Account	1,784,098	3,887,293	(2,103,195)	10,571,633
Current service cost adjustment re : pensions	34,000	-	34,000	1,000
Net cost of services	4,417,476	4,595,685	(178,209)	13,685,627
Insurance and compensation proceeds			-	-
Interest payable and similar charges			2,020,212	2,043,488
Interest and investment income			(2,989)	(10,751)
Pensions interest cost & return on pension assets			65,000	59,000
Net operating expenditure			1,904,014	15,777,364
Sources of finance				
Income from the General Rate Fund			2,273,954	2,225,294
Net surplus/(deficit) for the year			369,940	(13,552,070)

The notes on pages 23 to 34 form part of these financial statements.

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Statement of the Movement on the General Fund Balance for the year ended 31 March 2014

	2013/14	2012/13
	£	£
Surplus/(deficit) for the year on the income and expenditure account	369,940	(13,552,070)
Amounts included in the Income and Expenditure account but required by statute to be excluded when determining the Movement on the General Fund Balance for the year		
Insurance and compensation proceeds		-
Depreciation and amortisation of fixed assets	233,194	1,604,496
Net charges made for retirement benefits	99,000	60,000
Profit on sale of fixed assets	(7,600)	(4,623)
Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the year		
Loans funds principal repayments	(111,388)	(107,771)
Finance lease capital repayments	(58,046)	(29,096)
Capital expenditure met by general fund	(84,788)	(88,320)
Transfers to or from the General Fund Balance that are required to be taken into account when determining the Movement on the General Fund Balance for the year		
Transfer from/(to) heating reserve	(7,396)	1,187
Transfer from/(to) housing revenue account	(281,824)	12,407,321
Transfer from/(to) housing reserve	(124)	(81)
Transfer from/(to) usable capital receipts reserve	(50)	(31)
	<u>150,918</u>	<u>291,012</u>
General Fund Balance brought forward	1,530,467	1,239,455
General Fund Balance carried forward	<u><u>1,681,385</u></u>	<u><u>1,530,467</u></u>

The notes on pages 23 to 34 form part of these financial statements.

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Housing Revenue Income and Expenditure Account for the year ended 31 March 2014

	2013/14	2013/14	2012/13	2012/13
	£	£	£	£
Income				
Dwelling rents	2,259,689		1,960,867	
Contributions towards expenditure including Housing Deficiency Payments	1,254,672		1,411,512	
Any other income	372,932		359,518	
	<u> </u>		<u> </u>	
Total income		3,887,293		3,731,897
Expenditure				
Repairs and maintenance	542,084		537,229	
Supervision & management	135,591		135,591	
Rent, rates, taxes and other charges	372,932		359,518	
Depreciation	734,144		3,817	
Impairment of fixed assets	(10,884)		13,257,750	
Bad debt provision	10,231		9,625	
	<u> </u>		<u> </u>	
		(1,784,098)		(14,303,530)
		<u> </u>		<u> </u>
Net cost of HRA services as included in the whole authority income and expenditure account		2,103,195		(10,571,633)
Interest payable and similar charges		(1,822,251)		(1,843,565)
Interest income		880		7,877
		<u> </u>		<u> </u>
Surplus/(deficit) for the year on HRA services		281,824		(12,407,321)
		<u> </u>		<u> </u>

The notes on pages 23 to 34 form part of these financial statements.

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Statement of the Movement on the Housing Revenue Account Balance for the year ended 31 March 2014

	2013/14 £	2012/13 £
Surplus/(deficit) for the year on the HRA income and expenditure account	281,824	(12,407,321)
Amounts included in the Housing Revenue Income and Expenditure account but required by statute to be excluded when determining the Movement on the Housing Revenue Account Balance		
Depreciation & impairment of fixed assets	734,144	3,817
Impairment provision	(10,884)	13,257,750
Amounts not included in the Housing Revenue Income and Expenditure Account but required by statute to be included when determining the Movement on the Housing Revenue Account Balance for the year		
Loan funds principal repayments	(961,914)	(826,735)
Transfers to or from the Housing Revenue Account Balance that are required to be taken into account when determining the Movement on the Housing Revenue Account Balance for the year		
Transfers to housing maintenance account	(42,620)	(37,136)
	<u>550</u>	<u>(9,625)</u>
Housing Revenue Account Balance brought forward	(9,625)	-
Housing Revenue Account Balance carried forward	<u>(9,075)</u>	<u>(9,625)</u>

Statement of Total Recognised Gains and Losses for the year ended 31 March 2014

	2013/14 £	2012/13 £
Surplus/(deficit) on the income and expenditure account for the year	369,940	(13,552,070)
Other recognised gains and losses	70	7,574,865
Actuarial losses on pension fund assets & liabilities	(864,000)	(262,000)
Total recognised gains and losses for the year	<u>(493,990)</u>	<u>(6,239,205)</u>

The notes on pages 23 to 34 form part of these financial statements.

Ramsey Town Commissioners

Balance Sheet

As at 31 March 2014

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible fixed assets	1				
Operational assets					
Dwellings	1/5	51,171,626		51,753,446	
Other land & buildings	1	7,745,270		7,830,000	
Vehicles, plant, furniture & Equipment	1	441,737		359,043	
Infrastructure assets	1	69,826		68,982	
Community assets	1	-		-	
			59,428,459		60,011,471
Non-operational assets					
Assets under construction	1	333,051		310,679	
Investment properties	1	1,206,000		1,206,000	
			1,539,051		1,516,679
Intangible assets	6		6,281		12,562
Long term debtor	9		2,080		2,590
			60,975,871		61,543,302
Current assets					
Debtors	9	506,018		454,295	
Cash at bank	13	1,677,444		1,460,083	
		2,183,462		1,914,378	
Current liabilities					
Short-term borrowing	15	1,151,008		1,139,627	
Finance lease liability	16	58,046		29,096	
Creditors	10	202,842		264,620	
Bank overdraft		844,243		505,954	
		2,256,139		1,939,297	
Net current liabilities			(72,677)		(24,919)
Total assets less current liabilities			60,903,194		61,518,383
Long-term liabilities					
Long-term borrowing	15	36,879,128		38,021,081	
Pension liability	27	2,985,000		2,022,000	
Finance lease liability	16	86,850		29,096	
			39,950,978		40,072,177
Total assets less liabilities			20,952,216		21,446,206

Ramsey Town Commissioners

Balance Sheet (continued)

As at 31 March 2014

Financed by:		2014	2013
		£	£
Revaluation reserve	12	11,111,305	11,263,521
Capital adjustment account	12	10,882,266	10,462,698
Usable capital receipts reserve	12	31,059	31,008
Pension reserve	12	(2,985,000)	(2,022,000)
Heating reserve	12	49,676	42,281
General fund	12	1,681,385	1,530,467
Housing repairs account	12	190,600	147,856
Housing account	12	(9,075)	(9,625)
		<u>20,952,216</u>	<u>21,446,206</u>

The financial statements were approved and authorised for issue by the Authority on 17th December 2014 and were signed on their behalf by:

Chairman *N.H. Malpas*

Responsible Finance Officer *[Signature]*

The notes on pages 23 to 34 form part of these financial statements

Ramsey Town Commissioners

Cash Flow Statement

for the year ended 31 March 2014

	2013/14		2012/13
	£		£
Revenue activities			
Cash outflows			
Cash paid to and on behalf of employees	1,480,361		1,577,515
Other operating cash payments	1,737,006		1,537,532
	<u> </u>	(3,217,367)	<u> </u>
Cash inflows			
Rents (after rebates)	2,397,575		2,042,069
Rate receipts	2,115,814		2,146,696
Revenue support grant	1,233,648		2,022,582
Cash received for goods and services	870,295		985,110
	<u> </u>	6,617,332	<u> </u>
Net cash inflow from revenue activities		<u>3,399,965</u>	<u>4,081,410</u>
Returns on Investments and servicing of finance			
Cash outflows			
Interest paid	(2,019,121)		(2,041,635)
Cash inflows			
Interest received	2,990		10,751
	<u> </u>	(2,016,131)	<u> </u>
Net servicing of finance		(2,016,131)	(2,030,884)
Capital activities			
Cash outflows			
Purchase of fixed assets	(468,564)		(2,380,300)
Cash inflows			
Sale of fixed assets	7,600		3,623
	<u> </u>	(460,964)	<u> </u>
Net cash inflow/(outflow) before financing		<u>922,870</u>	<u>(2,376,677)</u>
Management of liquid resources			
Net (increase)/decrease in short term deposits	(434,634)		287,384
	<u> </u>	(434,634)	<u> </u>
Financing			
Cash outflows			
Repayments of amounts borrowed	(1,073,302)		(934,506)
Capital element of finance lease rental	(58,046)		(29,096)
Repayment of bonds	(57,200)		(178,550)
	<u> </u>	(1,188,548)	<u> </u>
Cash inflows			
New loans raised	-		3,609,324
Finance lease taken out	144,750		-
	<u> </u>	144,750	<u> </u>
		<u>(1,043,798)</u>	<u>2,467,172</u>
Net (decrease)/increase in cash		<u>(555,562)</u>	<u>2,428,405</u>

The notes on pages 23 to 34 form part of these financial statements

Ramsey Town Commissioners

Notes to the Cash Flow Statement for the year ended 31 March 2014

1. Reconciliation of net surplus to net cash inflow from revenue activities

	2013/14	2012/13
	£	£
Net surplus/(deficit)	369,940	(13,552,070)
Depreciation	961,057	157,602
Amortisation	6,281	6,281
Other recognised gains	-	366
Impairment of assets	(10,884)	14,702,179
Appropriations to pension reserve	99,000	60,000
Interest paid	2,019,121	2,041,635
Interest received	(2,990)	(10,751)
Profit on sale of fixed assets	(7,600)	(4,623)
Decrease/(increase) in debtors	(51,213)	647,556
Increase in creditors	17,253	33,235
	<hr/>	<hr/>
Net cash inflow from revenue activities	3,399,965	4,081,410

2. Reconciliation of the movement in net debt

	2013/14	2013/14	2012/13
	£	£	£
Net debt at 1 April		(38,264,771)	(37,938,620)
Movement in net debt:			
Increase/(decrease) in cash in the period	(555,562)		2,428,405
(Outflow) from increase/(decrease) in debt financing	1,130,572		(2,496,268)
(Outflow)/inflow from movement in liquid resources	434,634		(287,384)
(Outflow)/inflow from movement in finance leases	(86,704)		29,096
	<hr/>	<hr/>	<hr/>
		922,940	(326,151)
		<hr/>	<hr/>
Net debt at 31 March		(37,341,831)	(38,264,771)

3. Reconciliation of financing and management of liquid resources

	Balance at 31 March 2013	Cash movement	Non Cash movement	Balance at 31 March 2014
	£	£	£	£
Cash in hand	447,717	(217,273)	-	230,444
Overdraft	(505,954)	(338,289)	-	(844,243)
	<hr/>	<hr/>	<hr/>	<hr/>
	(58,237)	(555,562)	-	(613,799)
Short term investments	1,012,366	434,634	-	1,447,000
Net debt:				
Due within one year	(1,139,627)	1,073,302	(1,084,683)	(1,151,008)
Due after one year	(38,021,081)	57,270	1,084,683	(36,879,128)
Finance lease	(58,192)	(86,704)	-	(144,896)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net debt	(38,264,771)	922,940	-	(37,341,831)

Ramsey Town Commissioners

Notes to the Cash Flow Statement (continued)
for the year ended 31 March 2014

4. Government Grants

The revenue support grants detailed above relate to Housing Deficiency received from the Department of Social Care and also receipts in receipt of apprentice training.

5. Liquid resources

Within liquid resources the Authority includes any increase or decrease in cash held on deposit held with the Isle of Man bank that cannot be accessed within 24 hours.

Ramsey Town Commissioners

General Rate Fund

as at 31 March 2014

	£	2014 £	£	2013 £
Total rates levied for the year		2,384,263		2,335,015
<i>Add:</i>				
Due from Treasury re prior year	87,066		51,408	
Arrears brought forward	134,872		118,858	
		221,938		170,266
<i>Less:</i>				
Discounts	(80,997)		(79,384)	
Exempt and unoccupied properties	(25,858)		(29,362)	
Refunds	(3,454)		(975)	
Collection charge	(21,971)		(22,660)	
Write off	2,872		(4,267)	
		(129,408)		(136,648)
Total rates collectable		<u>2,476,793</u>		<u>2,368,633</u>
 Rates received in the year:				
Current year rates	1,975,199		2,054,018	
Arrears collected	53,549		41,269	
Balance from Treasury re previous year	87,066		51,408	
Total rates received in the year		2,115,814		2,146,695
 Balances outstanding carried forward:				
Due from Treasury re current year	219,914		87,066	
Arrears - current year	56,870		61,550	
- previous years	84,195		73,322	
		360,979		221,938
		<u>2,476,793</u>		<u>2,368,633</u>

Ramsey Town Commissioners

Notes to the financial statements

(forming part of the financial statements for the year ended 31 March 2014)

1. Tangible fixed assets

	Dwellings	Other Land and Buildings £	Motor Vehicles Plant and Equipment £	Infra- structure assets £	Community Assets £	Total £
Cost/Value						
At 31 March 2013	51,753,446	7,830,000	1,920,757	400,014	160,745	62,064,962
Additions in the year	-	-	214,118	15,420	-	229,538
Disposals	-	-	(133,118)	-	-	(133,118)
Transfers	148,507	-	-	-	-	148,507
Impairments	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
At 31 March 2014	51,901,953	7,830,000	2,001,757	415,434	160,745	62,309,889
Depreciation						
At 31 March 2013	-	-	1,561,714	331,032	160,745	2,053,491
Charge for the year	730,327	84,730	131,424	14,576	-	961,057
Disposals in the year	-	-	(133,118)	-	-	(133,118)
At 31 March 2014	730,327	84,730	1,560,020	345,608	160,745	2,881,430
Net book value						
At 31 March 2014	51,171,626	7,745,270	441,737	69,826	-	59,428,459
At 31 March 2013	51,753,446	7,830,000	359,043	68,982	-	60,011,471

Included within Vehicles, plant and equipment above, are two vehicles which are held on finance lease (2013: 1 vehicle). The cost of these assets are £290,230 (2013: £145,480), to which £41,462 (2013: £20,783) of depreciation has been attributed in the year.

Cost/valuation

	Assets under Construction £	Investment Properties £	Total £
At 31 March 2013	310,679	1,206,000	1,516,679
Additions in the year	159,995	-	159,995
Impairment	10,884	-	10,884
Transfers	(148,507)	-	(148,507)
At 31 March 2014	333,051	1,206,000	1,539,051

Ramsey Town Commissioners

Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2014)

1. Tangible fixed assets - continued

Valuation of fixed assets

The Authority plans to revalue its fixed assets every five years. Valuations were carried out by Chrystals Commercial Chartered Surveyors, the Authority's external Valuer as at 31 March 2013. The basis for valuation is set out in the statement of accounting policies. Assets were valued at that date as follows:

	Land & dwellings £	Other land & buildings £	Comm-unity assets £	Infra-structure assets £	Vehicles plant and equipment £	Non-Operation-al assets £	Total £
Valued at historical cost	-	-	160,745	415,434	2,001,757	333,051	2,910,987
Valued at current value in use 2013/14	51,901,953	7,830,000	-	-	-	1,206,000	60,937,953
	<u>51,901,953</u>	<u>7,830,000</u>	<u>160,745</u>	<u>415,434</u>	<u>2,001,757</u>	<u>1,539,051</u>	<u>63,848,940</u>

2. Assets held

Operational assets	Number at 31 March 2013	Changes 2013/14	Number at 31 March 2014
Dwellings	558	-	558
Other Land and Buildings			
Car parks	4	-	4
Depots	2	-	2
Public Conveniences	4	-	4
Public Offices	1	-	1
Recreational properties	3	-	3
Miscellaneous properties	4	-	4
Vehicles, Plant and Equipment			
Vehicles	19	-	19
Community Assets			
Parks and open spaces	2	-	2
Non-Operational assets			
Commercial properties	4	-	4

Ramsey Town Commissioners

Noes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2014)

3. Depreciation methodologies

Depreciation is provided on all assets with a finite useful life, other than all classes of land and buildings which is contrary to the SORP. Depreciation is calculated, using the straight line method, on Balance Sheet values over periods reflecting the following estimated useful lives:

	Years
Dwellings (inc. associated Housing Revenue Account assets)	15-50
Vehicles, Plant & Equipment	7
Infrastructure Assets	7
Community Assets	7

4. Housing fixed assets

The dwellings consist of the Authority's housing stock.

5. Housing stock

The housing stock of dwellings at 31 March was made up as follows:

	2013/14	2012/13
	£	£
Houses & bungalows	379	379
Flats & maisonettes	179	179
	<u>558</u>	<u>558</u>

Changes in the net book value of housing stock are detailed below:

	2013/14	2012/13
	£	£
Stock at 1 April 2013	51,753,446	58,752,119
Additions	-	2,719,926
Transfers	148,507	157,892
Impairments	-	(13,257,750)
Revaluations	-	3,381,259
Depreciation	(730,327)	-
Stock at 31 March 2014	<u>51,171,626</u>	<u>51,753,446</u>

Ramsey Town Commissioners

Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2014)

6. Intangible Fixed Assets

These represent software items which are amortised over 5 years

	31 March 2014	31 March 2013
	£	£
Cost		
At 1 April 2013	31,405	31,405
Additions in the year	-	-
Amortisation as at 31 March 2014	(25,124)	(18,843)
Net book value as at 31 March 2014	<u>6,281</u>	<u>12,562</u>

During the year, amortisation charges amounted to £6,281 (2013: £6,281).

7. Capital expenditure and financing

	2013/14	2012/13
	£	£
Capital investment		
Operational assets	229,538	88,320
Non-operational assets	239,026	1,979,079
	<u>468,564</u>	<u>2,067,399</u>

This capital expenditure has been financed by bank borrowings, finance lease arrangements and also contributions from revenue.

8. Capital commitments

The estimated commitments for capital expenditure that had started, or legal contracts entered into, by 31 March 2014 are listed below:

	31 March 2014	31 March 2013
	£	£
Housing	<u>27,489</u>	<u>86,113</u>

Ramsey Town Commissioners

Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2014)

9. Debtors

	2014	2013
	£	£
Amounts falling due in one year (net of bad debt provisions):		
Government departments	230,119	157,700
Other local authorities	821	-
Ratepayers	37,958	39,765
Housing rents	18,254	24,179
Sundry debtors	135,857	115,498
Value Added Tax	83,009	117,153
	<u>506,018</u>	<u>454,295</u>

Debtors balances are shown net of provisions for bad or doubtful debts. Details of these provisions are given at note 11. Long term debtors of £2,080 (2013: £2,590) relates to amounts due after one year relating to property repairs carried out on behalf of a tenant, to be repaid to the Authority. A provision of £11,275 (£11,315 has been made against this debt.

10. Creditors

	2014	2013
	£	£
Central Government	57,234	78,258
Housing rents	62,031	14,885
Sundry creditors	80,039	109,803
Retentions	3,538	61,674
	<u>202,842</u>	<u>264,620</u>

11. Provisions

	2014	2013
	£	£
Rate debtors	103,107	95,107
Sundry debtors	64,684	14,856
	<u>167,791</u>	<u>109,963</u>

Ramsey Town Commissioners

Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2014)

12. Capital reserves and accounts

	Revaluation reserve £	Capital adjustment account £	Usable capital receipts £	Pensions reserve £
Balance at 1 April 2013	11,263,521	10,462,698	31,008	(2,022,000)
Net surplus for year	(152,216)	419,568	51	(99,000)
Actuarial losses	-	-	-	(864,000)
Balance at 31 March 2014	<u>11,111,305</u>	<u>10,882,266</u>	<u>31,059</u>	<u>(2,985,000)</u>

Revenue reserves

	Housing account £	General Fund £	Heating Reserve £	Housing repairs account £
Balance at 1 April 2013	(9,625)	1,530,467	42,281	147,856
Net surplus for year	550	150,918	43	124
Transfers (to)/from other reserves	-	-	7,352	42,620
Balance at 31 March 2014	<u>(9,075)</u>	<u>1,681,385</u>	<u>49,676</u>	<u>190,600</u>

13. Cash at bank

The cash figure at 31 March 2014 was £1,677,444 (2013: £1,460,083). An analysis of the cash movements and the movement in net debt is provided in the cash flow statement and its notes on pages 19 to 21.

14. Analysis of net assets employed

	2014 £	2013 £
General fund	4,221,940	5,148,392
Housing revenue account	16,730,276	16,297,814
	<u>20,952,216</u>	<u>21,446,206</u>

Ramsey Town Commissioners

Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2014)

15. Borrowings

Loans outstanding are the amounts borrowed from external lenders at the balance sheet date. They may be analysed as follows:

	2014	2013
	£	£
Analysis of loans by type:		
Commercial loans	38,021,137	39,094,508
Local authority bonds	9,000	66,200
	<u>38,030,137</u>	<u>39,160,708</u>
Total	<u>38,030,137</u>	<u>39,160,708</u>
Analysis of bonds and loans by maturity:		
Less than 1 year	1,151,008	1,139,627
Between 1 and 2 years	1,188,751	1,142,008
Between 2 and 5 years	3,933,696	3,751,006
Between 5 and 10 years	7,550,830	7,350,265
More than 10 years	24,205,852	25,777,802
	<u>38,030,137</u>	<u>39,160,708</u>
Total outstanding	<u>38,030,137</u>	<u>39,160,708</u>

Loan security

The Authority has acquired financing through a number of fixed term loans from the Isle of Man Bank to fund long-term capital projects which is secured by a Letter of Comfort provided by Treasury. The fixed term loans are repayable quarterly, over periods between 10 and 30 years and interest is charged at fixed rates of between 4.83% and 6.11% per annum.

During the prior year, the Authority has taken out variable rate loans, interest being charge at Libor plus 1.25%. Again these loans are repayable quarterly and are secured by the Letter of Comfort provided by Treasury.

16. Finance Lease

The Authority holds the following value of assets under finance leases, accounted for as part of tangible fixed assets as below:

	Vehicles, plant and equipment £
Value at 1 April 2013	83,131
Additions	144,750
Depreciation	(41,462)
Value at 31 March 2014	<u>186,419</u>

Outstanding obligations to make payments under these finance leases (excluding finance costs) as at 31 March 2014, account for as deferred liabilities, are as follows:

Ramsey Town Commissioners

Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2014)

16. Finance Lease (continued)

	Vehicles, plant and equipment £
Obligations payable in 2014/15	58,046
Obligations payable between 2015/16 and 2016/17	86,850
Total obligations payable	144,896

17. Members' allowances

During 2013/14 the Authority paid £3,318 (2012/13:£2,486) to its Members in respect of their attendance at meetings, undertaking duties and responsibilities.

18. Employees' remuneration

The number of employees whose remuneration, excluding pension contributions, was £50,000 or more in bands of £25,000 was:

Remuneration Band	Total	2013/14	Total	2012/13
		Number of Employees Leavers in year		Number of Employees Leavers in year
£50,000 - £74,999	2	-	2	-

19. Related party transactions

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central Government - has a direct influence over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates.

All Commissioners and officers of the Authority are asked to complete a disclosure statement in respect of themselves and their family members/close relatives, detailing any material transactions with related parties.

- Officers of the Authority - no related party disclosures arose in relation to officers.
- Members of the Authority – have direct control over the Authority's financial and operating policies.

Ramsey Town Commissioners

Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2014)

19. Related party transactions (continued)

The payments were made with proper consideration of declarations of interest. The relevant member did not take part in any discussion or decision relating to this matter.

Ramsey and Northern Districts Housing Committee are related by virtue of common influence and by virtue of the provision of management support. During the year Ramsey and Northern Districts Housing Committee were charged £61,595 (2013: £59,890) in respect of administration charges and clerk's salary. At the year end there is a balance due to Ramsey Town Commissioners of £831 (2013: £Nil).

20. Audit fees

During 2013/14 the Authority incurred the following fees relating to external audit and inspection:

	2013/14 £	2012/13 £
Fees payable with regard to external audit services carried out by the appointed auditor	10,118	10,253
Fees payable with regard to non-audit services carried out by the appointed auditor	-	3,500

21. Total rateable value

The total rateable value at the year end was £686,262 (2013: £683,804) and rates were levied at 348p in the £ (2013:£ 342p).

22. Statement of the Movement on the General Fund Balance

The Income and Expenditure account shows the Authority's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months. However, the authority raises rates on a different accounting basis, the main differences being:

- Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.
- Retirement benefits are charged as the amounts become payable to pension funds and pensioners, rather than as future benefits earned.

The General Fund Balance compares the Authority's spending against the rateable income that it raised for the year, taking into account the use of reserves built up in the past and contributions to funds and reserves. This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance.

23. HRA capital expenditure

Capital expenditure on HRA land and buildings was financed as follows:

	2013/14 £	2012/13 £
Borrowing	159,995	1,979,079

Ramsey Town Commissioners

Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2014)

24. Gross rent income

Gross rent income is the total rent due for the year after voids, write-offs, refunds etc. Voids of £34,532 represent 1.49% of the rent due for the year, compared to 0.9% in 2012/13.

25. Housing deficiency grant

Housing deficiency grant is paid from central government to meet the shortfall which might be incurred by the Authority. The amount of deficiency receivable is shown as follows:

	2013/14	2012/13
	£	£
Deficiency receivable	<u>1,254,672</u>	<u>1,411,512</u>

26. Rent arrears

	2013/14	2012/13
	£	£
Rent arrears	<u>18,254</u>	<u>24,179</u>
Rent arrears as a percentage of gross rent income	<u>0.78%</u>	<u>1.2%</u>

Arrears written off during the year amounted to £0 (£0 in 2012/13). A provision of £4,057 has been made against doubtful rent debtors.

27. Pensions

As part of the terms and conditions of employment of its employees, the authority offers retirement benefits. Although these benefits will not actually be payable until employees retire, the authority has a commitment to make these payments. The Authority participates in the Local Government Superannuation Scheme administered by Douglas Borough Council in accordance with the Isle of Man Local Government Superannuation Scheme Regulations 2003. This is a defined benefit statutory scheme. The Authority and its employees pay contributions into the scheme and these contributions are calculated at a level intended to balance the pensions liabilities with investment assets.

During the financial year the cost of pensions contributions has been charged to the Income and Expenditure Account. The authority must also disclose its share of the assets and liabilities related to the scheme for its employees. The assets and liabilities of the Scheme as at 31 March 2014 were valued by the Fund's actuaries, Hymans Robertson LLP, using the projected unit method, which assesses the future liabilities of the Scheme discounted to their present value. The main financial assumptions used in the calculations are:

Assumptions	31 March 2014	31 March 2013
	% per annum	% per annum
Rate of increase in pensions	2.8%	2.8%
Rate of increase in salaries	4.1%	5.1%
Rate of expected return on assets	5.8%	5.0%
Rate for discounting scheme liabilities	4.3%	4.5%

Ramsey Town Commissioners

Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2014)

27. Pensions (continued)

The assets in the Isle of Man Government Pension Scheme are valued at fair value, principally market value for investments, and the asset categories are shown in the Isle of Man Government Superannuation Scheme Accounts.

The fair value of the assets and liabilities held by the Authority within the Scheme are as follows:

	31 March 2014	31 March 2013
	£	£
Estimated employer assets	5,715,000	5,235,000
Present value of scheme liabilities	(8,700,000)	(7,257,000)
Net pensions liability	<u>(2,985,000)</u>	<u>(2,022,000)</u>

The following transactions have been made in the income and expenditure account during the year:

	2013/14	2012/13
	£	£
Net operating expenditure		
Expected return on employer assets	(261,000)	(245,000)
Interest on pension scheme liabilities	326,000	304,000
	<u>65,000</u>	<u>59,000</u>

The net deficit on the scheme has increased from £2,022,000 to £2,985,000. An analysis of the movement during the year is shown below:

	2013/14	2012/13
	£	£
Net pension liability at the beginning of the year	2,022,000	1,700,000
Current service cost	261,000	235,000
Employer contributions	(227,000)	(234,000)
Interest cost	326,000	304,000
Expected net return on employer assets	(261,000)	(245,000)
Actuarial losses	864,000	262,000
Net pension liability at the end of the year	<u>2,985,000</u>	<u>2,022,000</u>

The fair value of the pension scheme assets at 31 March can be analysed as follows:

	2013/14	2012/13
	£	£
Equities	3,829,000	3,717,000
Bonds	1,029,000	1,047,000
Property	686,000	419,000
Cash	171,000	52,000
Fair value of employer assets	<u>5,715,000</u>	<u>5,235,000</u>

Ramsey Town Commissioners

Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2014)

27. Pensions (continued)

The breakdown of the expected return on net assets can be further broken down by category;

	31 March 2014	31 March 2013
	£	£
Breakdown of the expected return on assets by category		
Equities	6.6%	5.7%
Bonds	3.5%	2.9%
Property	4.8%	3.9%
Cash	3.7%	3.0%

The actuarial gains have been further analysed in the following table, measured as absolute amounts and as a percentage of assets or liabilities as at the end of the financial year:

	2013/14		2012/13	
	£	Actuarial gain/loss as % of assets/ liabilities	£	Actuarial gain/loss as % of assets/ liabilities
Value of assets at end of year	5,715,000		5,235,000	
Total present value of liabilities	(8,700,000)		(7,257,000)	
Difference between the actual and expected return on assets	94,000	1.6%	345,000	6.6%
Actuarial losses recognised in the statement	(864,000)	9.9	(262,000)	3.6%

The above figures have been provided by the actuaries to the Isle of Man Government Superannuation Scheme using information provided by the Scheme, and assumptions determined by the Authority in conjunction with the actuary. Actuarial calculations involve estimates based on assumptions about events and circumstances in the future, which may mean that the result of actuarial calculations could be affected by uncertainties within a range of possible values.

The net liability represents the difference between the value of the Authority's share of assets in the Scheme and the value of the future pension payments to which it was committed at that date. These pension liabilities will be paid out over a period of many years, during which time the assets will continue to generate returns towards funding them. Any significant changes in the global equity markets after 1 April 2014 would also have an impact on the capital value of the pension fund assets.

In addition, full details of the pension fund accounts can be obtained from Douglas Borough Council, Douglas, Isle of Man.

Ramsey Town Commissioners

Detailed Income and Expenditure Account for the year ended 31 March 2014

	£	2014 £	£	2013 £
Office administration and general expenses				
Rate collection costs	21,971		22,660	
Audit fees	10,117		10,253	
Internal audit fees	10,475		7,425	
Accountancy	15,266		15,414	
Legal expenses	11,296		2,395	
Election expenses	-		5,489	
Insurance	12,733		13,950	
Heat and light	28,165		27,846	
Printing, stationery, telephone, rent	55,145		51,968	
Caretaker's wages	21,279		19,961	
Salaries	473,603		491,095	
Pensions	121,142		124,052	
Staff training	1,782		4,269	
Fuel for vans	847		1,049	
Car travel allowances	598		347	
Depreciation	82,986		39,354	
Amortisation	6,281		6,281	
Doubtful debts	48,781		18,814	
	<u> </u>	922,467	<u> </u>	862,622
Fixed penalties	125		310	
Administration fee from Ramsey and Northern District Housing Committee	51,681		49,909	
	<u> </u>	(51,806)	<u> </u>	(50,219)
		<u> </u>		<u> </u>
		870,661		812,403
		<u> </u>		<u> </u>
Miscellaneous				
Advertising	4,621		4,614	
Members' expenses	3,318		2,486	
Chairman's expenses	330		391	
Town band	1,000		1,000	
Municipal Sunday	950		880	
War memorial	1,781		998	
Incidental	6,549		3,153	
Town warden	16,848		16,668	
Bank charges	9,010		12,474	
Ramsey regeneration	7,236		5,939	
Amenity byelaw regulations	46		540	
	<u> </u>	51,689	<u> </u>	49,143
Incidental	4,775		1,895	
Search fees	13,400		9,120	
Profit on disposal of fixed assets	7,600		4,623	
	<u> </u>	(25,775)	<u> </u>	(15,638)
		<u> </u>		<u> </u>
		25,914		33,505
		<u> </u>		<u> </u>

This page does not form part of the audited financial statements

Ramsey Town Commissioners

Detailed Income and Expenditure Account (continued)

for the year ended 31 March 2014

	£	2014 £	£	2013 £
Housing & Property				
Housing				
Oil and electricity	96,072		102,822	
Restroom refurbishment	135		405	
Garage repairs	1,734		773	
	<u> </u>	97,941	<u> </u>	104,000
Heating charges	100,427		100,985	
Drying tokens	405		766	
Restroom hire	1,464		869	
Garage rents	2,759		2,704	
	<u> </u>	(105,055)	<u> </u>	(105,324)
		(7,114)		(1,324)
Workshops				
Maintenance and insurance	47,060		43,612	
Depreciation	7,000		-	
	<u> </u>	54,060	<u> </u>	43,612
Town Hall				
Maintenance and insurance	77,427		59,279	
Income	(23,706)		(26,420)	
	<u> </u>	53,721	<u> </u>	32,859
Public Conveniences				
Contract cleaners	19,306		19,299	
Maintenance and insurance	26,989		17,264	
Cleaning materials	2,413		2,183	
Depreciation	15,690		-	
	<u> </u>	64,398	<u> </u>	38,746
Housing Revenue Account				
Surfeit Transferred	14,284		19,554	
Administration charge	135,591		135,591	
	<u> </u>	(149,875)	<u> </u>	(155,145)
		<u> </u>		<u> </u>
		15,190		(41,252)
		<u> </u>		<u> </u>

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Ramsey Town Commissioners

Detailed Income and Expenditure Account (continued) for the year ended 31 March 2014

	£	2014 £	£	2013 £
Works and Development				
Amenities and services				
Foreshore, flags and deckchairs		2,311		1,330
Car Parks				
Operational costs	13,655		8,996	
Depreciation	2,300		-	
	<u>15,955</u>		<u>8,996</u>	
Car parking spaces income	(12,852)	<u>3,103</u>	<u>(12,881)</u>	(3,885)
Refuse				
Wages	174,636		178,610	
Operational costs	438,973		336,118	
Leasing costs	4,050		2,650	
Depreciation	42,182		20,783	
	<u>659,841</u>		<u>538,161</u>	
Collection charges	(108,962)		(94,676)	
Sale of commercial refuse bins	(30)		-	
	<u>(108,992)</u>		<u>(94,676)</u>	
		550,849		443,485
Sewers and Pumps				
Wages	1,745		97,470	
Operational costs	4,285		55,712	
Depreciation	-		721	
	<u>6,030</u>		<u>153,903</u>	
Government refund re sewer connections	(110,261)		(253,384)	
Administration fee	(1)		(62,148)	
	<u>(110,262)</u>		<u>(315,532)</u>	
		<u>(104,232)</u>		<u>(161,629)</u>
Carried forward		452,031		279,301

This page does not form part of the audited financial statements

Ramsey Town Commissioners

Detailed Income and Expenditure Account (continued)

for the year ended 31 March 2014

	2014	2013
	£	£
Works and Development		
Brought forward	452,031	279,301
Miscellaneous		
Seats, promenade shelters, street nameplates and town clocks maintenance	18,149	16,482
Street and decorative lighting maintenance	72,844	61,048
CC TV town area	5,443	2,824
Grass cutting and tree limbing	5,976	6,591
Property repairs private sector	5,388	2,386
Depreciation	23,510	23,029
	<u>131,310</u>	<u>112,360</u>
Property repairs	(42,022)	-
Government grants re grass cutting and tree limbing	(4,900)	(7,278)
	<u>(46,922)</u>	<u>(7,278)</u>
	<u>84,388</u>	<u>105,082</u>
	<u>536,419</u>	<u>384,383</u>
Parks and Leisure		
Advertising and entertainment		
Publicity	1,621	2,029
Seasonal entertaining and attractions	25,891	27,480
Ramsey in Bloom	10,259	13,795
	<u>37,771</u>	<u>43,304</u>
Income	(6,713)	(5,340)
Camper van permit income	(4,467)	(516)
	<u>(11,180)</u>	<u>(5,856)</u>
	<u>26,591</u>	<u>37,448</u>
Amenities and Services		
Mooragh Park amusements maintenance	12,848	17,634
Mooragh Park Gardens and Land		
Wages	159,758	181,256
Maintenance	82,237	56,865
Skate park	891	2,214
Depreciation	13,684	34,941
	<u>256,570</u>	<u>275,276</u>
Income	(222)	(102)
	<u>256,348</u>	<u>275,174</u>
Carried forward	295,787	330,256

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Ramsey Town Commissioners

Detailed Income and Expenditure Account (continued) for the year ended 31 March 2014

	£	2014 £	£	2013 £
Parks and Leisure				
Brought forward		295,787		330,256
Trading Concessions				
Rates, insurance and licences	2,435		5,512	
Courts and greens maintenance	15,629		12,926	
Depreciation	3,940		-	
	<u>22,004</u>		<u>18,438</u>	
Rents and rates	(41,492)		(29,518)	
		<u>(19,488)</u>		<u>(11,080)</u>
Swimming Pool				
Wages for grass cutting	4,450		307	
Rate contribution	16,082		16,018	
		<u>20,532</u>		<u>16,325</u>
Maintenance of Properties		16,806		16,652
Ramsey and Northern District Housing auth				
Wages etc.	8,496		13,818	
Income	(9,887)		(14,529)	
		<u>(1,391)</u>		<u>(711)</u>
Library				
Salaries	80,923		80,298	
Repairs and maintenance	24,378		23,951	
Depreciation	35,621		34,958	
	<u>140,922</u>		<u>139,207</u>	
Library fee income	(10,366)		(11,123)	
		<u>130,556</u>		<u>128,084</u>
		<u>442,802</u>		<u>479,526</u>

