

Ramsey Town Commissioners

Statement of Accounts

For the year ended 31 March 2016

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 2016. It has been prepared in accordance with the Isle of Man Statement of Recommended Practice 2007 ("the SORP") 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 £263,941 (2015: £334,822) however once the other movements on the general fund have been taken into account, as detailed below, the results show an overall deficit of £83,313 (2015 deficit: £66,413).

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 2016, the deficiency requirement amounted to £1,117,014 (2015: £1,182,965).

Capital Expenditure

Total capital expenditure in the year was £1,447,731 (2015: £1,153,665).

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 (2015: 348p) in the £ on an average rateable value of £693,805 (2015: £687,741) 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 2016 and amounts to £3,425,000 (2015: £3,885,000). This increase is primarily as a change in actuarial assumptions used

Investments and Borrowing

The Authority borrowed £1,955,527 (2015: £ 754,042) during the year to finance capital expenditure.

Reserves

The Authority has decreased its general fund reserves from £1,614,972 in 2015 to £1,531,659 at 31 March 2016. 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.

Ramsey Town Commissioners

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.

These financial statements 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. This SORP is recognised under the Audit Act 2006 and the Accounts and Audit Regulations 2013 as representing proper accounting practices.

The SORP is based on Accounting Standards and the Urgent Issues Task Force's (UITF) Abstracts issued by the Financial Reporting Council (the 'Standards'), except where these are inconsistent with specific statutory requirements. The SORP prescribes the accounting treatment and disclosures for all normal transactions of the Authority. Where accounting treatments and disclosure requirements are not covered by the SORP, but which are covered the Standards, the requirements of the relevant standard should be followed.

The Standards upon which the SORP is based were replaced by the Financial Reporting Council for periods ending on or after 31 December 2015. The SORP has not been updated to reflect the requirements of the new standards, or those of another acceptable accounting framework such as the Code of Practice on Local Authority Accounting (modified as necessary for application to Isle of Man bodies) issued by the Chartered Institute of Public Finance & Accountancy (the "CIPFA Code"). Whilst there are measurement and presentational differences between the requirements of the SORP and those of the CIPFA code, these are not considered to be of sufficient significance such that the Statement of Accounts prepared in line with the SORP would not give a true and fair view.

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.

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Statement of Accounting Policies (continued)

Valuations (continued)

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.

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.

Intangible Fixed Assets

Intangible fixed assets are fixed assets that do not have physical substance but which are identifiable and where future economic benefits will be received by the Authority through custody or legal rights (e.g. software licences). Purchased intangibles are capitalised at cost on an accruals basis and amortised to the Income and Expenditure Account over a 5 year period.

Depreciation

Depreciation is provided on all assets with a finite useful life. 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.

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Statement of Accounting Policies (continued)

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.

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.
- 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.

Ramsey Town Commissioners

Statement of Accounting Policies (continued)

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.

The pension cost has been assessed by the Fund's actuary based on triennial valuations, the 2015/16 contributions being based on the results of the review as at 31 March 2016. 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.

Ramsey Town Commissioners

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.

Ramsey Town Commissioners

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 2016.

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 provided by reports issued during the year by the internal auditors.

Ramsey Town Commissioners

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 2016.

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

- Business continuity plans
- Visitors book

(Signed) _____

(Chairman)

(Signed) Norman Q. Cannell

(Responsible Finance Officer)

(Dated) 26 October 2016

Ramsey Town Commissioners

REPORT OF THE INDEPENDENT AUDITOR TO THE COMMISSIONERS OF RAMSEY TOWN COMMISSIONERS

We have audited the financial statements of Ramsey Town Commissioners for the year ended 31 March 2016 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 auditor

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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Authority's affairs as at 31 March 2016 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.

Ramsey Town Commissioners

REPORT OF THE INDEPENDENT AUDITOR TO THE COMMISSIONERS OF RAMSEY TOWN COMMISSIONERS - CONTINUED

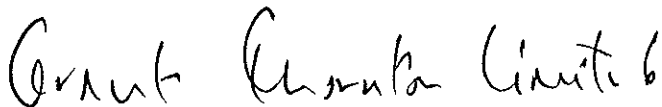
Emphasis of matter - Basis of accounting

Without modifying our opinion, we draw attention to Statement of Accounting Policies in the financial statements which describes the basis of preparation. The financial statements have been prepared in accordance with the SORP, which is based on an accounting framework that is no longer extant.

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

Chartered Accountants

Douglas

Isle of Man

Date 28 October 2016

Ramsey Town Commissioners

Income and Expenditure Account

for the year ended 31 March 2016

	2015/16 Gross Expenditure £	2015/16 Gross Income £	2015/16 Net Expenditure £	2014/15 Net Expenditure £
Continuing operations:				
Office administration & Office expenses	868,157	53,123	815,034	812,767
Miscellaneous	54,482	21,392	33,090	29,137
Housing & Property	262,931	245,864	17,067	39,106
Works & Development	949,566	210,439	739,127	651,585
Parks & Leisure	544,032	67,529	476,503	424,295
Housing Income & Expenditure Account	1,957,058	4,049,875	(2,092,817)	(2,116,132)
Housing reserve account	-	-	-	10,205
Current service cost adjustment re : pensions	135,000	-	135,000	90,000
Net cost of services	4,771,226	4,648,222	123,004	(59,037)
Interest payable and similar charges			1,922,069	1,957,714
Interest and investment income			(2,282)	(1,944)
Pensions interest cost & return on pension assets			22,000	45,000
Net operating expenditure			2,064,791	1,941,733
Sources of finance				
Income from the General Rate Fund			2,328,732	2,276,555
Net surplus for the year			263,941	334,822

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

Ramsey Town Commissioners

Statement of the Movement on the General Fund Balance for the year ended 31 March 2016

	2015/16 £	2014/15 £
Surplus for the year on the income and expenditure account	263,941	334,822
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		
Depreciation and amortisation of fixed assets	284,435	236,004
Net charges made for retirement benefits	157,000	135,000
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	(192,096)	(179,835)
Finance lease capital repayments	(63,295)	(58,046)
Capital expenditure met by general fund	(219,013)	(219,167)
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	(9,001)	(1,936)
Transfer from/(to) housing revenue account	(360,346)	(355,962)
Transfer from/(to) housing reserve	(212)	10,044
Transfer from/(to) usable capital receipts reserve	21,092	(31)
Transfer from/(to) Capital Adjustment account	34,182	32,694
	(83,313)	(66,413)
General Fund Balance brought forward	1,614,972	1,681,385
General Fund Balance carried forward	1,531,659	1,614,972

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 2016

	2015/16 £	2015/16 £	2014/15 £	2014/15 £
Income				
Dwelling rents	2,499,077		2,349,753	
Contributions towards expenditure including Housing Deficiency Payments	1,117,014		1,182,965	
Any other income	433,784		416,314	
	<hr/>		<hr/>	
Total income		4,049,875		3,949,032
Expenditure				
Repairs and maintenance	570,721		544,000	
Supervision & management	135,591		135,591	
Rent, rates, taxes and other charges	411,647		401,642	
Depreciation	800,698		735,830	
Rates surfeit 2014/15 and 2015/16	36,809		-	
Bad debt provision	1,592		15,837	
	<hr/>		<hr/>	
		(1,957,058)		(1,832,900)
		<hr/>		<hr/>
Net cost of Housing Revenue Account services as included in the whole Authority income and expenditure account		2,092,817		2,116,132
Interest payable and similar charges		(1,732,471)		(1,760,170)
		<hr/>		<hr/>
Surplus for the year on Housing Revenue Account services		360,346		355,962
		<hr/> <hr/>		<hr/> <hr/>

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

Ramsey Town Commissioners

Statement of the Movement on the Housing Revenue Account Balance for the year ended 31 March 2016

	2015/16	2014/15
	£	£
Surplus for the year on the Housing Revenue Account income and expenditure	360,346	355,962
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	800,698	735,830
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	(1,112,360)	(1,052,892)
Capital expenditure met by general fund	-	(11,789)
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	(50,276)	(42,948)
	<hr/>	<hr/>
	(1,592)	(15,837)
Housing Revenue Account Balance brought forward	(24,912)	(9,075)
	<hr/>	<hr/>
Housing Revenue Account Balance carried forward	(26,504)	(24,912)
	<hr/>	<hr/>

Statement of Total Recognised Gains and Losses for the year ended 31 March 2016

	2015/16	2014/15
	£	£
Surplus on the income and expenditure account for the year	263,941	334,822
Revaluation gains in the period	-	154,000
Actuarial gains/(losses) on pension fund assets & liabilities	617,000	(765,000)
Total recognised gains and losses for the year	880,941	(276,178)
	<hr/>	<hr/>

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

Ramsey Town Commissioners

Balance Sheet

As at 31 March 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible fixed assets	1				
Operational assets					
Dwellings	1/5	51,522,146		50,441,298	
Other land & buildings	1	8,219,041		7,924,540	
Vehicles, plant, furniture & Equipment	1	511,270		402,272	
Infrastructure assets	1	71,420		79,751	
			60,323,877		58,847,861
Non-operational assets					
Assets under construction	1	142,342		1,255,760	
Investment properties	1	1,206,000		1,206,000	
			1,348,342		2,461,760
Intangible assets	6		-		-
Long term debtor	9		1,238,404		1,276,573
			62,910,623		62,586,194
Current assets					
Debtors	9	668,336		566,104	
Cash at bank	13	1,248,297		688,447	
		1,916,633		1,254,551	
Current liabilities					
Short-term borrowing	15	1,453,115		1,270,297	
Finance lease liability	16	63,295		28,950	
Creditors	10	115,163		159,795	
Bank overdraft		-		149,298	
		1,631,573		1,608,340	
Net current assets/(liabilities)			285,060		(353,789)
Total assets less current liabilities			63,195,683		62,232,405
Long-term liabilities					
Long-term borrowing	15	36,740,350		36,272,098	
Pension liability	27	3,425,000		3,885,000	
Finance lease liability	16	131,985		57,900	
			40,297,335		40,214,998
Total assets less liabilities			22,898,348		22,017,407

Ramsey Town Commissioners

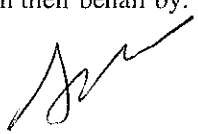
Balance Sheet (continued)

As at 31 March 2016

Financed by:		2016	2015
		£	£
Revaluation reserve	12	10,927,075	11,089,190
Capital adjustment account	12	13,546,516	12,916,951
Usable capital receipts reserve	12	9,998	31,090
Pension reserve	12	(3,425,000)	(3,885,000)
Heating reserve	12	60,613	51,612
General fund	12	1,531,659	1,614,972
Housing repairs account	12	273,991	223,504
Housing account	12	(26,504)	(24,912)
		22,898,348	22,017,407

The financial statements were approved and authorised for issue by the Authority on *26.10.16* and were signed on their behalf by:

Chairman



Responsible Finance Officer

Norman Q. Cannell

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 2016

Revenue activities		2015/16		2014/15
Cash outflows	£	£	£	£
Cash paid to and on behalf of employees	1,522,874		1,450,518	
Other operating cash payments	1,633,068		2,017,651	
		(3,155,942)		(3,468,169)
Cash inflows				
Rents (after rebates)	2,521,757		2,420,348	
Rate receipts	2,293,579		2,407,769	
Revenue support grant	896,075		1,143,422	
Cash received for goods and services	767,447		861,986	
		6,478,858		6,833,525
Net cash inflow from revenue activities		3,322,916		3,365,356
Returns on Investments and servicing of finance				
Cash outflows				
Interest paid	(1,922,795)		(1,959,065)	
Cash inflows				
Interest received	2,282		1,945	
		(1,920,513)		(1,957,120)
Capital activities				
Cash outflows				
Purchase of fixed assets	(1,452,755)		(1,156,501)	
Cash inflows				
Sale of fixed assets	-		-	
		(1,452,755)		(1,156,501)
Net cash inflow before financing		(50,352)		251,735
Management of liquid resources				
Net (increase)/decrease in short term deposits	(473,000)		1,020,000	
		(473,000)		1,020,000
Financing				
Cash outflows				
Repayments of amounts borrowed	(1,304,457)		(1,232,783)	
Capital element of finance lease rental	(63,295)		(58,046)	
Repayment of bonds	-		(9,000)	
		(1,367,752)		(1,299,829)
Cash inflows				
New loans raised	1,955,527		754,042	
Finance lease taken out	171,725		-	
		2,127,252		754,042
		759,500		(545,787)
Net increase in cash		236,148		725,948

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 2016

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

	2015/16	2014/15
	£	£
Net surplus	263,941	334,822
Depreciation	1,085,133	965,554
Amortisation	-	6,281
Appropriations to pension reserve	157,000	135,000
Interest paid	1,922,795	1,959,065
Interest received	(2,282)	(1,945)
(Increase)/decrease in debtors	(64,063)	6,790
(Decrease) in creditors	(39,608)	(40,211)
Net cash inflow from revenue activities	<u>3,322,916</u>	<u>3,365,356</u>

2. Reconciliation of the movement in net debt

	2015/16	2015/16	2014/15
	£	£	£
Net debt at 1 April		(37,090,096)	(37,341,831)
Movement in net debt:			
Increase /(decrease) in cash in the period	236,148		725,948
(Outflow) from increase/(decrease) in debt financing	(651,070)		487,741
(Outflow)/inflow from movement in liquid resources	473,000		(1,020,000)
(Outflow)/inflow from movement in finance leases	(108,430)		58,046
		<u>(50,352)</u>	<u>251,735</u>
Net debt at 31 March		<u><u>(37,140,448)</u></u>	<u><u>(37,090,096)</u></u>

3. Reconciliation of financing and management of liquid resources

	Balance at 31 March 2015	Cash movement	Non Cash movement	Balance at 31 March 2016
	£	£	£	£
Cash in hand	261,447	86,850	-	348,297
Overdraft	(149,298)	149,298	-	-
	<u>112,149</u>	<u>236,148</u>	<u>-</u>	<u>348,297</u>
Short term investments	427,000	473,000	-	900,000
Net debt:				
Due within one year	(1,270,297)	1,308,456	(1,491,274)	(1,453,115)
Due after one year	(36,272,098)	(1,959,526)	1,491,274	(36,740,350)
Finance lease	(86,850)	(108,430)	-	(195,280)
Total net debt	<u>(37,090,096)</u>	<u>(50,352)</u>	<u>-</u>	<u>(37,140,448)</u>

Ramsey Town Commissioners

Notes to the Cash Flow Statement (continued)

for the year ended 31 March 2016

4. Government Grants

The revenue support grants detailed above relate to Housing Deficiency received from the Department of Health & 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 2016

	2016	2015
£	£	£
Total rates levied for the year	2,407,944	2,392,232
<i>Add:</i>		
Due from Treasury re prior year	50,438	219,914
Arrears brought forward	156,811	141,065
	<u>207,249</u>	<u>360,979</u>
<i>Less:</i>		
Discounts	(45,619)	(80,293)
Exempt and unoccupied properties	(32,856)	(34,773)
Refunds	(737)	(611)
Collection charge	(22,042)	(21,904)
Write off	456	(612)
	<u>(100,798)</u>	<u>(138,193)</u>
Total rates collectable	<u>2,514,395</u>	<u>2,615,018</u>
 Rates received in the year:		
Current year rates	2,159,401	2,145,820
Arrears collected	46,931	42,035
Balance from Treasury re previous year	50,438	219,914
Rates surfeit	36,809	-
	<u>2,293,579</u>	<u>2,407,769</u>
Total rates received in the year	2,293,579	2,407,769
 Balances outstanding carried forward:		
Due from Treasury re current year	58,969	50,438
Arrears - current year	51,511	58,394
- previous years	110,336	98,417
	<u>220,816</u>	<u>207,249</u>
	<u>2,514,395</u>	<u>2,615,018</u>

The rates surfeit represents the difference between the gross rates paid by social housing tenants in the year over the net amount paid by Ramsey Town Commissioners to the Treasury by 30 June 2015. It has been confirmed that this surfeit could be treated as General Revenue income for both the current and prior year and £36,809 represents the adjustment for 2016 together with an adjustment for 2015 previously shown in the Housing Revenue account in the earlier year.

Ramsey Town Commissioners

Notes to the financial statements

(forming part of the financial statements for the year ended 31 March 2016)

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 2015	51,901,953	8,080,000	2,094,743	443,404	160,745	62,680,845
Additions in the year	889,558	105,412	267,357	17,968	-	1,280,295
Transfers	987,448	293,406	-	-	-	1,280,854
At 31 March 2016	53,778,959	8,478,818	2,362,100	461,372	160,745	65,241,994
Depreciation						
At 31 March 2015	1,460,655	155,460	1,692,471	363,653	160,745	3,832,984
Charge for the year	796,158	104,317	158,359	26,299	-	1,085,133
At 31 March 2016	2,256,813	259,777	1,850,830	389,952	160,745	4,918,117
Net book value						
At 31 March 2016	51,522,146	8,219,041	511,270	71,420	-	60,323,877
At 31 March 2015	50,441,298	7,924,540	402,272	79,751	-	58,847,861

Included within Vehicles, plant and equipment above, are two vehicles which are held on finance lease (2015: 1 vehicles). The cost of these assets are £316,475 (2015: £144,750), to which £45,211 (2015: £20,679) of depreciation has been attributed in the year.

Cost/valuation

	Assets under Construction £	Investment Properties £	Total £
At 31 March 2015	1,255,760	1,206,000	2,461,760
Additions in the year	167,436	-	167,436
Transfers in the year	(1,280,854)	-	(1,280,854)
At 31 March 2016	142,342	1,206,000	1,348,342

Ramsey Town Commissioners

Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2016)

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. In addition, Chris Heginbotham FRICS has valued the new land and existing Commissioners workshops as at 31 March 2015.

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	1,877,066	508,818	160,745	461,372	2,362,100	142,342	5,512,383
Valued at current							
Value in use	51,901,953	7,970,000	-	-	-	1,206,000	61,077,953
	<u>53,778,959</u>	<u>8,478,818</u>	<u>160,745</u>	<u>461,372</u>	<u>2,362,100</u>	<u>1,348,342</u>	<u>66,590,336</u>

2. Assets held

	Number at 31 March 2015	Changes 2015/16	Number at 31 March 2016
Operational assets			
Dwellings	547	6	553
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	2	21
Community Assets			
Parks and open spaces	2	-	2
Non-Operational Assets			
Commercial properties	4	-	4

Ramsey Town Commissioners

Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2016)

3. Depreciation methodologies

Depreciation is provided on all assets with a finite useful life. 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:

	2015/16 £	2014/15 £
Houses & bungalows	382	376
Flats & maisonettes	171	171
	<u>553</u>	<u>547</u>

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

	2015/16 £	2014/15 £
Stock at 1 April 2015	50,441,298	51,171,626
Additions	889,558	-
Transfers	987,448	-
Depreciation	(796,158)	(730,328)
Stock at 31 March 2016	<u>51,522,146</u>	<u>50,441,298</u>

Ramsey Town Commissioners

Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2016)

6. Intangible Fixed Assets

These represent software items which are amortised over 5 years

	31 March 2016	31 March 2015
	£	£
Cost		
At 1 April 2015	31,405	31,405
Additions in the year	-	-
Amortisation as at 31 March 2016	(31,405)	(31,405)
	<hr/>	<hr/>
Net book value as at 31 March 2016	-	-
	<hr/> <hr/>	<hr/> <hr/>

During the year, amortisation charges amounted to £Nil (2015: £6,281).

7. Capital expenditure and financing

	2015/16	2014/15
	£	£
Capital investment		
Operational assets	1,447,731	230,956
Non-operational assets	-	922,709
	<hr/>	<hr/>
	1,447,731	1,153,665
	<hr/> <hr/>	<hr/> <hr/>

This capital expenditure has been financed by bank borrowings 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 2016 are listed below:

	31 March 2016	31 March 2015
	£	£
Housing	Nil	188,093
	<hr/>	<hr/>

Ramsey Town Commissioners

Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2016)

9. Debtors

Long Term Debtor

An amount of £1,274,493 (2015: £1,308,675) is due from Manx Utilities Authority, of which £1,238,404 (2015: £1,274,493) is due after more than one year. £36,089 (2015: £34,182) is shown as due within one year below within sundry debtors.

In addition, long term debtors of £Nil (2015: £2,080) 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 £13,565 (2015: £10,695) has been made against this debt.

Debtors due within one year

	2016 £	2015 £
Amounts falling due in one year (net of bad debt provisions):		
Government departments	296,326	138,771
Other local authorities	53,023	53,178
Ratepayers	34,347	38,811
Housing rents	34,175	22,901
Sundry debtors	166,752	112,228
Value Added Tax	83,713	200,215
	<u>668,336</u>	<u>566,104</u>

Debtors balances are shown net of provisions for bad or doubtful debts. Details of these provisions are given at note 11.

10. Creditors

	2016 £	2015 £
Central Government	-	17,691
Housing rents	39,092	51,644
Sundry creditors	76,071	90,460
	<u>115,163</u>	<u>159,795</u>

11. Provisions

	2016 £	2015 £
Rate debtors	127,500	118,000
Sundry debtors	81,706	75,129
	<u>209,206</u>	<u>193,129</u>

Ramsey Town Commissioners

Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2016)

12. Capital reserves and accounts

	Revaluation reserve £	Capital adjustment account £	Usable capital receipts £	Pensions reserve £
Balance at 1 April 2015	11,089,190	12,916,951	31,090	(3,885,000)
Net (deficit)/surplus for year	(162,115)	629,565	(21,092)	(157,000)
Actuarial gains/(losses)	-	-	-	617,000
Balance at 31 March 2016	<u>10,927,075</u>	<u>13,546,516</u>	<u>9,998</u>	<u>(3,425,000)</u>

Revenue reserves

	Housing account £	General Fund £	Heating Reserve £	Housing repairs account £
Balance at 1 April 2015	(24,912)	1,614,972	51,612	223,504
Net (deficit)/surplus for year	(1,592)	(83,313)	51	212
Transfers (to)/from other reserves	-	-	8,950	50,275
Balance at 31 March 2016	<u>(26,504)</u>	<u>1,531,659</u>	<u>60,613</u>	<u>273,991</u>

13. Cash at bank

The cash figure at 31 March 2016 was £1,248,297 (2015: £688,447). 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

	2016	2015
	£	£
General fund	5,713,815	4,177,925
Housing revenue account	17,184,533	17,839,482
	<u>22,898,348</u>	<u>22,017,407</u>

Ramsey Town Commissioners

Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2016)

15. Borrowings

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

	2016	2015
	£	£
Analysis of loans by type:		
Commercial loans	38,193,465	37,542,397
	<u>38,193,465</u>	<u>37,542,397</u>
Total	38,193,465	37,542,397
	<u>38,193,465</u>	<u>37,542,397</u>
Analysis of bonds and loans by maturity:		
Less than 1 year	1,453,115	1,270,297
Between 1 and 2 years	1,513,406	1,332,646
Between 2 and 5 years	4,845,539	4,361,739
Between 5 and 10 years	8,484,233	7,882,657
More than 10 years	21,897,172	22,695,056
	<u>21,897,172</u>	<u>22,695,056</u>
Total outstanding	38,193,465	37,542,395
	<u>38,193,465</u>	<u>37,542,395</u>

Loan security

The Authority has previously 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.

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.

During the year the Authority has acquired financing through variable rate loans from HSBC Bank to fund long-term capital projects which is secured by a Letter of Comfort provided by Treasury. Variable rate 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 2015	103,392
Additions	171,725
Depreciation	(45,211)
Value at 31 March 2016	<u>229,906</u>

Outstanding obligations to make payments under these finance leases (excluding finance costs) as at 31 March 2016, 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 2016)

16. Finance Lease (continued)

	Vehicles, plant and equipment £
Obligations payable in 2016/17	63,295
Obligations payable between 2017/18 and 2018/19	131,985
Total obligations payable	<u>195,280</u>

17. Members' allowances

During 2015/16 the Authority paid £1,899 (2014/15:£2,123) 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	2015/16 Number of Employees Leavers in year	Total	2014/15 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 2016)

19. Related party transactions (continued)

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 £65,724 (2015: £65,724) in respect of administration charges and clerk's salary. At the year end there is a balance due to Ramsey Town Commissioners of £53,052 (2015: £53,052).

20. Audit fees

During 2015/16 the Authority incurred the following fees relating to external audit and inspection:

	2015/16 £	2014/15 £
Fees payable with regard to external audit services carried out by the appointed auditor	10,700	13,481

21. Total rateable value

The total rateable value at the year end was £687,741 (2015: £687,741) and rates were levied at 348p in the £ (2015:348p).

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. Housing Revenue Account capital expenditure

Capital expenditure on Housing Revenue Account land and buildings was financed as follows:

	2015/16 £	2014/15 £
Borrowing	<u>1,056,994</u>	<u>922,709</u>

Ramsey Town Commissioners

Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2016)

24. Gross rent income

Gross rent income is the total rent due for the year after voids, write-offs, refunds etc. Voids of £46,915 represent 1.99% of the rent due for the year, compared to 1.99% in 2014/15.

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:

	2015/16	2014/15
	£	£
Deficiency receivable	<u>1,117,014</u>	<u>1,182,965</u>

26. Rent arrears

	2015/16	2014/15
	£	£
Rent arrears	<u>34,175</u>	<u>24,981</u>
Rent arrears as a percentage of gross rent income	<u>1.37%</u>	<u>1.06%</u>

Arrears written off during the year amounted to £0 (£0 in 2014/15). A provision of £8,882 (2015:£7,290) 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 2016 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 2016	31 March 2015
	% per annum	% per annum
Rate of increase in pensions	2.2%	2.4%
Rate of increase in salaries	3.7%	3.8%
Rate of expected return on assets	3.5%	3.2%
Rate for discounting scheme liabilities	3.5%	3.2%

Ramsey Town Commissioners

Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2016)

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 2016 £	31 March 2015 £
Estimated employer assets	6,521,000	6,485,000
Present value of scheme liabilities	(9,946,000)	(10,370,000)
Net pensions liability	<u>(3,425,000)</u>	<u>(3,885,000)</u>

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

	2015/16 £	2014/15 £
Net operating expenditure		
Expected return on employer assets	(313,000)	(331,000)
Interest on pension scheme liabilities	335,000	376,000
	<u>22,000</u>	<u>45,000</u>

The net deficit on the scheme has decreased from £3,885,000 to £3,425,000. An analysis of the movement during the year is shown below:

	2015/16 £	2014/15 £
Net pension liability at the beginning of the year	3,885,000	2,985,000
Current service cost	362,000	310,000
Employer contributions	(227,000)	(220,000)
Interest cost	335,000	376,000
Expected net return on employer assets	(313,000)	(331,000)
Actuarial (gains)/losses	(617,000)	765,000
Net pension liability at the end of the year	<u>3,425,000</u>	<u>3,885,000</u>

The fair value of the pension scheme assets at 31 March 2016 can be analysed as follows :

	2015/16 £	2014/15 £
Equities	3,717,000	4,280,000
Bonds	1,761,000	1,167,000
Property	1,043,000	843,000
Cash	-	195,000
Fair value of employer assets	<u>6,521,000</u>	<u>6,485,000</u>

Ramsey Town Commissioners

Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2016)

27. Pensions (continued)

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

	31March 2016 £	31March 2015 £
Breakdown of the expected return on assets by category		
Equities	5.7%	5.7%
Bonds	2.6%	2.5%
Property	3.8%	3.9%
Cash	2.5%	2.6%

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:

	2015/16 £	Actuarial gain/loss as % of assets/ liabilities	2014/15 £	Actuarial gain/loss as % of assets/ liabilities
Value of assets at end of year	6,521,000		6,485,000	
Total present value of liabilities	(9,946,000)		(10,370,000)	
Difference between the actual and expected return on assets	287,000	4.4%	458,000	7.0%
Actuarial losses recognised in the statement	617,000	6.2%	(765,000)	7.4%

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 2016 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 2016

		2016		2015
	£	£	£	£
Office administration and general expenses				
Rate collection costs	22,042		21,904	
Audit fees	8,266		13,481	
Internal audit fees	8,750		10,650	
Accountancy	12,004		13,859	
Legal expenses	5,575		1,229	
Election expenses	930		-	
Insurance	11,856		11,839	
Heat and light	21,859		22,522	
Printing, stationery, telephone, rent	43,521		45,455	
Caretaker's wages	14,685		13,414	
Salaries	488,396		468,410	
Pensions	123,708		117,124	
Staff training	4,126		769	
Business continuity plan	1,185		21,984	
Fuel for vans	864		829	
Car travel allowances	-		445	
Depreciation	84,769		81,518	
Amortisation	-		6,281	
Doubtful debts	15,621		13,345	
		868,157		865,058
Fixed penalties	100		14	
Administration fee from Ramsey and Northern Districts Housing Committee	53,023		52,277	
		(53,123)		(52,291)
		815,034		812,767
Miscellaneous				
Advertising	6,565		4,952	
Members' expenses	1,899		2,123	
Chairman's expenses	1,637		973	
Town band	1,000		1,000	
Municipal Sunday	963		1,088	
War memorial	902		3,643	
Incidental	14,748		10,367	
Town warden	16,811		16,854	
Bank charges	9,495		9,385	
Ramsey regeneration	462		560	
Amenity byelaw regulations	-		225	
		54,482		51,170
Incidental	9,292		7,811	
Search fees	12,100		14,222	
		(21,392)		(22,033)
		33,090		29,137

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 2016

		2016		2015
	£	£	£	£
Housing & Property				
Housing				
Oil and electricity	61,861		77,129	
Restroom refurbishment	155		8	
Garage repairs	1,211		710	
	<u> </u>	63,227	<u> </u>	77,847
Heating charges	69,588		81,520	
Drying tokens	481		645	
Restroom hire	1,270		1,188	
Garage rents	1,456		2,313	
	<u> </u>	(72,795)	<u> </u>	(85,666)
		(9,568)		(7,819)
Workshops				
Maintenance and insurance	50,221		49,796	
Depreciation	-		7,000	
	<u> </u>	50,221	<u> </u>	56,796
Town Hall				
Maintenance and insurance	60,114		91,251	
	<u> </u>	60,114	<u> </u>	91,251
Income	(26,133)		(27,294)	
Registry office income	(11,345)		(9,407)	
	<u> </u>	(37,478)	<u> </u>	(36,701)
Public Conveniences				
Contract cleaners	20,863		16,108	
Maintenance and insurance	48,402		36,771	
Cleaning materials	2,092		2,601	
Depreciation	18,012		15,690	
	<u> </u>	89,369	<u> </u>	71,170
Housing Revenue Account				
Administration charge	135,591		135,591	
	<u> </u>	(135,591)	<u> </u>	(135,591)
		<u> </u>		<u> </u>
		17,067		39,106
		<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 2016

	£	2016 £	£	2015 £
Works and Development				
Amenities and services				
Foreshore, flags and deckchairs		1,086		2,522
Car Parks				
Operational costs	14,431		9,760	
Depreciation	2,300		2,300	
	<u>16,731</u>		<u>12,060</u>	
Car parking spaces income	(11,326)		(12,085)	
		<u>5,405</u>		(25)
Refuse				
Wages	189,169		186,619	
Operational costs	508,646		490,084	
Leasing costs	2,900		2,650	
Depreciation	69,316		44,745	
	<u>770,031</u>		<u>724,098</u>	
Collection charges	(128,152)		(119,507)	
	<u>(128,152)</u>		<u>(119,507)</u>	
		641,879		604,591
Sewers and Pumps				
Operational costs		-		60
Government refund re sewer connections		(70,920)		(72,537)
Carried forward		<u>577,450</u>		<u>534,611</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 2016

	2016		2015
	£	£	£
Works and Development			
Brought forward		577,450	534,611
Miscellaneous			
Seats, promenade shelters, street nameplates and town clocks maintenance	8,589	21,161	
Street and decorative lighting maintenance	67,596	61,756	
CC TV town area	2,750	5,359	
Local services	49,054	-	
Grass cutting and tree limbing	49	11,703	
Property repairs private sector	1,963	229	
Depreciation	31,717	24,088	
	<u>161,718</u>	<u>124,296</u>	
Property repairs		-	
Government grants re grass cutting and tree limbing	(41)	(7,322)	
	<u>(41)</u>	<u>(7,322)</u>	
		<u>161,677</u>	116,974
		<u>739,127</u>	<u>651,585</u>
Parks and Leisure			
Advertising and entertainment			
Publicity	10,955	1,003	
Seasonal entertaining and attractions	24,660	28,995	
Ramsey in Bloom	7,757	9,620	
	<u>43,372</u>	<u>39,618</u>	
Income	-	(4,000)	
Camper van permit income	(3,042)	(2,832)	
	<u>(3,042)</u>	<u>(6,832)</u>	
		<u>40,330</u>	32,786
Amenities and Services			
Mooragh Park amusements maintenance		16,512	23,568
Mooragh Park Gardens and Land			
Wages	133,164	152,551	
Maintenance	78,871	55,541	
Skate park	1,161	3,848	
Depreciation	33,556	13,951	
	<u>246,752</u>	<u>225,891</u>	
Income	(603)	(303)	
	<u>246,149</u>	<u>225,588</u>	
Carried forward		302,991	281,942

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 2016

	£	2016 £	£	2015 £
Parks and Leisure				
Brought forward		302,991		281,942
Trading Concessions				
Rates, insurance and licences	3,442		2,075	
Courts and greens maintenance	36,084		26,149	
Depreciation	8,645		3,940	
	<u>48,171</u>		<u>32,164</u>	
Wages for grass cutting	-		(725)	
Rents and rates	<u>(42,430)</u>	5,741	<u>(46,890)</u>	(14,001)
Swimming Pool				
Rate contribution		16,229		16,174
Maintenance of Properties		26,252		14,110
Ramsey and Northern Districts Housing Committee				
Wages etc.	10,227		9,526	
Income	<u>(10,996)</u>	(769)	<u>(10,455)</u>	(929)
Library				
Salaries	80,144		82,734	
Repairs and maintenance	20,253		17,712	
Depreciation	36,120		36,491	
	<u>136,517</u>		<u>136,937</u>	
Library fee income	<u>(10,458)</u>	126,059	<u>(9,938)</u>	126,999
		<u>476,503</u>		<u>424,295</u>

