

# **Ramsey Town Commissioners**

## **Statement of Accounts**

**For the year ended 31 March 2017**

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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 2017. 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

The income and expenditure account for the year shows a surplus of £341,239 (2016: £263,941) however once the other movements on the general fund have been taken into account, as detailed below, the results show an overall deficit of £143,560 (2016 deficit: £83,313).

# Ramsey Town Commissioners

## **Explanatory Foreword - continued**

### **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 2017 the deficiency requirement amounted to £1,169,570 (2016: £1,117,014).

### **Capital Expenditure**

Total capital expenditure in the year was £231,204 (2016: £1,447,731).

### **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 (2016: 348p) in the £ on an average rateable value of £697,143 (2016: £693,805) 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 2017 and amounts to £3,512,000 (2016: £3,425,000). This increase is primarily as a change in actuarial assumptions used.

### **Investments and Borrowing**

The Authority borrowed £nil (2016: £1,955,527) during the year to finance capital expenditure.

### **Reserves**

The Authority has decreased its general fund reserves from £1,531,659 in 2016 to £1,388,099 at 31 March 2017. 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.

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.

# Ramsey Town Commissioners

## Statement of Accounting Policies - continued

### Valuations - continued

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.

### 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.

# Ramsey Town Commissioners

## 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.
- 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.

The pension cost has been assessed by the Fund's actuary based on triennial valuations, the 2016/17 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.

# Ramsey Town Commissioners

## Statement of Accounting Policies - continued

### 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.

### 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 2017.

# 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 operated effectively during the year ended 31 March 2017.

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

- The safeguarding of staff particularly in relation to property viewings and the issuing of fixed penalty notices and the associated risks involved.
- The development of a more formalised and centralised recruitment process to ensure all necessary checks are undertaken.
- The development of a sustainable training programme particularly in the area of IT and associated software developments.

Signed: \_\_\_\_\_

**Chairman**

Signed: \_\_\_\_\_

**Responsible Finance Officer**

Dated: **18<sup>th</sup> October 2017**

# 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 2017 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 2017 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 2017

# Ramsey Town Commissioners

## Income and Expenditure Account for the year ended 31 March 2017

	2016-17 Gross expenditure £	2016-17 Gross income £	2016-17 Net expenditure £	2015-16 Net expenditure £
Continuing operations:				
Office administration & office expenses	946,869	61,519	885,350	815,034
Miscellaneous	43,375	18,007	25,368	33,090
Housing and Property	235,574	214,736	20,838	17,067
Works and Development	1,012,227	218,109	794,118	739,127
Parks and Leisure	494,030	68,572	425,458	476,503
Housing income & expenditure account	2,004,468	4,173,882	(2,169,414)	(2,092,817)
Housing reserve account	-	-	-	-
Current service cost adjustment :				
<b>Pensions</b>	103,000	-	103,000	135,000
<b>Net cost of services</b>	<b>4,839,543</b>	<b>4,754,825</b>	<b>84,718</b>	123,004
Interest payable and similar charges			1,865,648	1,922,069
Interest and investment income			(542)	(2,282)
Pensions interest cost & return on pension assets			44,000	22,000
<b>Net operating expenditure</b>			<b>1,993,824</b>	2,064,791
<b>Sources of finance</b>				
Income from the General Rate Fund			2,335,063	2,328,732
<b>Net surplus for the year</b>			<b>341,239</b>	263,941

The notes on pages 22 to 32 form part of these financial statements.

# Ramsey Town Commissioners

## Statement of the Movement on the General Fund Balance

for the year ended 31 March 2017

	2016-17 £	2015-16 £
<b>Surplus for the year on the income &amp; expenditure account</b>	<b>341,239</b>	263,941
<b>Amounts included in the income &amp; expenditure account but required by statute to be excluded when determining the movement on the General Fund Balance for the year:</b>		
Depreciation of fixed assets	<b>274,211</b>	284,435
Net charges made for retirement benefits	<b>147,000</b>	157,000
<b>Amounts not included in the income &amp; expenditure account but required to be included by statute when determining the movement on the General Fund Balance for the year:</b>		
Principal repayments of loan funds	<b>(193,930)</b>	(192,096)
Capital repayments of finance leases	<b>(63,295)</b>	(63,295)
Capital expenditure met by general fund	<b>(231,197)</b>	(219,013)
<b>Transfers (to)/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 :</b>		
Transfer from/(to) heating reserve	<b>31,274</b>	(9,001)
Transfer from housing revenue account	<b>(484,882)</b>	(360,346)
Transfer to housing reserve	<b>(61)</b>	(212)
Transfer (to)/from usable capital receipts reserve	<b>(9)</b>	21,092
Transfer from capital adjustment account	<b>36,090</b>	34,182
	<b>(143,560)</b>	(83,313)
General Fund Balance brought forward	<b>1,531,659</b>	1,614,659
<b>General Fund Balance carried forward</b>	<b>1,388,099</b>	1,531,659

The notes on pages 22 to 32 form part of these financial statements.

# Ramsey Town Commissioners

## Housing Revenue Income and Expenditure Account

for the year ended 31 March 2017

	2016-17 £	2016-17 £	2015-16 £	2015-16 £
<b>Income:</b>				
Dwelling rents		2,544,296		2,499,077
Contributions toward expenditure:				
Housing Deficiency payments		1,169,570		1,117,014
Any other income		460,016		433,784
		<hr/>		<hr/>
<b>Total income</b>		<b>4,173,882</b>		<b>4,049,875</b>
<b>Expenditure:</b>				
Repairs & maintenance	584,378		570,721	
Supervision & management	141,586		135,591	
Rent, rates, taxes & other charges	436,377		411,647	
Depreciation	818,488		800,698	
Rates surfeit	23,639		36,809	
Bad debt provision	-		1,592	
	<hr/>		<hr/>	
		<b>(2,004,468)</b>		<b>(1,957,058)</b>
		<hr/>		<hr/>
<b>Net cost of Housing Revenue Account services as included in the whole Authority Income &amp; Expenditure account</b>		<b>2,169,414</b>		<b>2,092,817</b>
Interest payable and similar charges		<b>(1,684,532)</b>		<b>(1,732,471)</b>
		<hr/>		<hr/>
<b>Surplus for the year on Housing Revenue Account services</b>		<b>484,882</b>		<b>360,346</b>
		<hr/>		<hr/>

The notes on pages 22 to 32 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 2017

	2016-17 £	2015-16 £
<b>Surplus for the year on the Housing Revenue Account income &amp; expenditure account</b>	<b>484,882</b>	360,346
<b>Amounts included in the Housing Revenue income &amp; expenditure account but required by statute to be excluded when determining the movement on the Housing Revenue account balance for the year:</b>		
Depreciation and impairment of fixed assets	<b>818,488</b>	800,698
<b>Amounts not included in the Housing Revenue income &amp; expenditure account but required by statute to be included when determining the movement on the Housing Revenue Account balance for the year:</b>		
Principal repayments of loan funds	<b>(1,259,307)</b>	(1,112,360)
<b>Transfers (to)/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:</b>		
Transfers to housing repairs account	<b>(44,063)</b>	(50,276)
	-	(1,592)
Housing Revenue Account balance brought forward	<b>(26,504)</b>	(24,912)
<b>Housing Revenue Account balance carried forward</b>	<b>(26,504)</b>	(26,504)

## Statement of Total Recognised Gains and Losses

for the year ended 31 March 2017

	2016-17 £	2015-16 £
<b>Surplus on the income &amp; expenditure account for the year</b>	<b>341,239</b>	263,941
Actuarial gains/(losses) on pension fund assets & liabilities	<b>60,000</b>	617,000
Revaluation gains in the year	-	-
<b>Total recognised gains and losses for the year</b>	<b>401,239</b>	880,941

The notes on pages 22 to 32 form part of these financial statements.

# Ramsey Town Commissioners

## Balance Sheet

As at 31 March 2017

	<i>Notes</i>	<b>2017</b> £	<b>2017</b> £	2016 £	2016 £
<b>Fixed assets</b>					
Tangible fixed assets	1				
<b>Operational assets</b>					
Dwellings	1/5		<b>50,708,198</b>		51,522,146
Other land & buildings	1		<b>8,090,374</b>		8,219,041
Vehicles, plant, furniture & equipment	1		<b>463,212</b>		511,270
Infrastructure assets	1		<b>55,585</b>		71,420
			<b>59,317,369</b>		60,323,877
<b>Non-operational assets</b>					
Assets under construction	1	<b>247,355</b>		142,342	
Investment properties	1	<b>1,206,000</b>		1,206,000	
			<b>1,453,355</b>		1,348,342
<b>Intangible assets</b>	6		-		-
<b>Long term debtor</b>	9		<b>1,200,302</b>		1,238,404
			<b>61,971,026</b>		62,910,623
<b>Current assets</b>					
Debtors	9	<b>432,239</b>		668,336	
Cash at bank	13	<b>1,433,086</b>		1,248,297	
			<b>1,865,325</b>		1,916,633
<b>Current liabilities</b>					
Short-term borrowing	15	<b>1,514,145</b>		1,453,115	
Finance lease liability	16	<b>63,295</b>		63,295	
Creditors	10	<b>152,531</b>		115,163	
			<b>1,729,971</b>		1,631,573
<b>Net current assets</b>			<b>135,354</b>		285,060
<b>Total assets less current liabilities</b>			<b>62,106,380</b>		63,195,683
<b>Long-term liabilities</b>					
Long-term borrowing	15	<b>35,226,083</b>		36,740,350	
Pension liability	27	<b>3,512,000</b>		3,425,000	
Finance lease liability	16	<b>68,690</b>		131,985	
			<b>38,806,773</b>		40,297,335
<b>Total assets less liabilities</b>			<b>23,299,607</b>		22,898,348

# Ramsey Town Commissioners

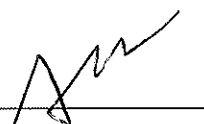
## Balance Sheet - continued

As at 31 March 2017

		2016-17 £	2015-16 £
<b>Financed by:</b>			
Revaluation reserve	12	10,776,057	10,927,075
Capital adjustment account	12	14,316,480	13,546,516
Usable capital receipts reserve	12	10,007	9,998
Pension reserve	12	(3,512,000)	(3,425,000)
Heating reserve	12	29,353	60,613
General fund	12	1,388,099	1,531,659
Housing repairs account	12	318,115	273,991
Housing account	12	(26,504)	(26,504)
		<u>23,299,607</u>	<u>22,898,348</u>

The financial statements were approved and authorised for issue by the Authority on **18<sup>th</sup> October 2017** and were signed on their behalf by:

Chairman



*Norman Q. Connell*  
Responsible Finance Officer

The notes on pages 22 to 32 form part of these financial statements

# Ramsey Town Commissioners

## Cash Flow Statement

for the year ended 31 March 2017

	2016-17 £	2016-17 £	2015-16 £	2015-16 £
<b>Revenue activities:</b>				
<b>Cash outflows</b>				
Cash paid to and on behalf of employees	1,646,151		1,522,874	
Other operating cash payments	1,811,871		1,633,068	
		(3,458,022)		(3,155,942)
<b>Cash inflows</b>				
Rents (after rebates)	2,615,892		2,521,757	
Rate receipts	2,309,209		2,293,579	
Revenue support grant	1,420,137		896,075	
Cash received for goods & services	865,859		767,447	
		7,211,097		6,478,858
<b>Net cash inflow from revenue activities</b>		3,753,075		3,322,916
<b>Returns on investments &amp; servicing of finance:</b>				
<b>Cash outflows</b>				
Interest paid	(1,865,648)		(1,922,795)	
<b>Cash inflows</b>				
Interest received	542		2,282	
<b>Net servicing of finance</b>		(1,865,106)		(1,920,513)
<b>Capital activities:</b>				
<b>Cash outflows</b>				
Purchase of fixed assets	(233,448)		(1,452,755)	
<b>Cash inflows</b>				
Sale of fixed assets	46,800		-	
<b>Net capital activities</b>		(186,648)		(1,452,755)
<b>Net cash inflow before financing</b>		1,701,321		(50,352)
<b>Management of liquid resources:</b>				
Net (increase)/decrease in short-term deposits		(100,000)		(473,000)
<b>Financing:</b>				
<b>Cash outflows</b>				
Repayments of amounts borrowed	(1,453,237)		(1,304,457)	
Capital element of finance lease rental	(63,295)		(63,295)	
		(1,516,532)		(1,367,752)
<b>Cash inflows</b>				
New loans raised	-		1,955,527	
Finance lease taken out	-		171,725	
		-		2,127,252
<b>Net financing</b>		(1,516,532)		759,500
<b>Net increase in cash</b>		84,789		236,148

The notes on pages 22 to 32 form part of these financial statements

# Ramsey Town Commissioners

## Notes to the Cash Flow Statement

for the year ended 31 March 2017

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

	2016-17	2015-16
	£	£
Net surplus	341,239	263,941
Depreciation	1,092,699	1,085,133
Appropriations to pension reserve	147,000	157,000
Interest paid	1,865,648	1,922,795
Interest received	(542)	(2,282)
(Increase)/decrease in debtors	274,199	(64,063)
Increase/(decrease) in creditors	32,832	(39,608)
<b>Net cash inflow from revenue activities</b>	<b>3,753,075</b>	<b>3,322,916</b>

### 2. Reconciliation of the movement in net debt

	2016-17	2016-17	2015-16
	£	£	£
Net debt at 1 April 2016		(37,140,448)	(37,090,096)
Movement in net debt:			
Increase/(decrease) in cash in the year	84,789		236,148
(Outflow) from increase/(decrease) in debt financing	1,453,237		(651,070)
(Outflow)/inflow from movement in liquid resources	100,000		473,000
(Outflow)/inflow from movement in finance leases	63,295		(108,430)
		<b>1,701,321</b>	(50,352)
		<b>(35,439,127)</b>	<b>(37,140,448)</b>

### 3. Reconciliation of financing and management of liquid resources

	Balance at 31 Mar. 2016	Cash movement	Non-cash movement	Balance at 31 Mar. 2017
	£	£	£	£
Cash in hand	348,297	84,789	-	433,086
Short-term investment	900,000	100,000	-	1,000,000
Net debt:				
Due within one year	(1,453,115)	1,453,237	(1,514,267)	(1,514,145)
Due after one year	(36,740,350)	-	1,514,267	(35,226,083)
Finance lease	(195,280)	63,295	-	(131,985)
<b>Total net debt</b>	<b>(37,140,448)</b>	<b>1,701,321</b>	<b>-</b>	<b>(35,439,127)</b>

# Ramsey Town Commissioners

## **Notes to the Cash Flow Statement – continued**

for the year ended 31 March 2017

### **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 2017

	2017	2016
	£	£
Total rates levied for the year	<b>2,423,653</b>	2,407,944
Add:		
Due from Treasury re prior year	<b>58,969</b>	50,438
Arrears brought forward	<b>161,847</b>	156,811
	<b>220,816</b>	207,249
Less:		
Discounts	<b>(56,784)</b>	(45,619)
Exempt and unoccupied properties	<b>(31,806)</b>	(32,856)
Refunds	-	(737)
Collection charges	<b>(21,733)</b>	(22,042)
Write offs	-	456
	<b>(110,323)</b>	(100,798)
<b>Total rates collectable</b>	<b>2,534,146</b>	2,514,395
<b>Rates received in the year:</b>		
Current year rates	<b>2,146,018</b>	2,159,401
Arrears collected	<b>80,583</b>	46,931
Balance from Treasury re previous year	<b>58,969</b>	50,438
Rates surfeit	<b>23,639</b>	36,809
<b>Total rates received in the year</b>	<b>2,309,209</b>	2,293,579
<b>Balance outstanding carried forward:</b>		
Due from Treasury re current year	<b>90,122</b>	58,969
Arrears - current year	<b>53,527</b>	51,511
- previous year	<b>81,288</b>	110,336
	<b>224,937</b>	220,816
<b>Total assets less liabilities</b>	<b>2,534,146</b>	2,514,395

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 2016. It has been confirmed that this surfeit could be treated as General Revenue income and £23,639 represents the adjustment for the 2016-17 financial year.

# Ramsey Town Commissioners

## Notes to the financial statements

forming part of the financial statements for the year ended 31 March 2017

### 1. Tangible fixed assets

	Dwellings £	Other land & buildings £	M. vehicles, plant & equipment £	Infra- structure assets £	Community assets £	Total £
<b>Cost or valuation</b>						
As at 1 April 2016	53,778,959	8,478,818	2,362,100	461,372	160,745	65,241,994
Additions in the year	-	15,970	106,056	4,165	-	126,191
Transfers in the year	-	-	-	-	-	-
Disposals in the year	-	(40,000)	(185,180)	-	-	(225,180)
<b>As at 31 March 2017</b>	<b>53,778,959</b>	<b>8,454,788</b>	<b>2,282,976</b>	<b>465,537</b>	<b>160,745</b>	<b>65,143,005</b>
<b>Depreciation</b>						
As at 1 April 2016	2,256,813	259,777	1,850,830	389,952	160,745	4,918,117
Charge for the year	813,948	104,637	154,114	20,000	-	1,092,699
Released on disposals	-	-	(185,180)	-	-	(185,180)
<b>As at 31 March 2017</b>	<b>3,070,761</b>	<b>364,414</b>	<b>1,819,764</b>	<b>409,952</b>	<b>160,745</b>	<b>5,825,636</b>
<b>Net book value</b>						
<b>As at 31 March 2017</b>	<b>50,708,198</b>	<b>8,090,374</b>	<b>463,212</b>	<b>55,585</b>	<b>-</b>	<b>59,317,369</b>
<b>As at 31 March 2016</b>	<b>51,522,146</b>	<b>8,219,041</b>	<b>511,270</b>	<b>71,420</b>	<b>-</b>	<b>60,323,877</b>

Included within Motor vehicles, plant and equipment above, are two vehicles which are held on finance lease (2016: 2 vehicles). The cost of these assets are £316,475 (2016: £316,475), to which £45,211 (2016: £45,211) of depreciation has been attributed in the year.

### Non-operational assets

	Assets under construction £	Investment properties £	Total £
<b>Cost or valuation</b>			
As at 1 April 2016	142,342	1,206,000	1,348,342
Additions in the year	105,013	-	105,013
Transfers in the year	-	-	-
<b>As at 31 March 2017</b>	<b>247,355</b>	<b>1,206,000</b>	<b>1,453,355</b>



# Ramsey Town Commissioners

## Notes to the financial statements - continued

forming part of the financial statements for the year ended 31 March 2017

### 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 & equipment £	Non-operational assets £	Total £
Valued at historical cost	1,877,002	484,788	160,745	465,537	2,282,976	247,355	5,518,403
Valued at current Value in use	51,901,957	7,970,000	-	-	-	1,206,000	61,077,957
	<u>53,778,959</u>	<u>8,454,788</u>	<u>160,745</u>	<u>465,537</u>	<u>2,282,976</u>	<u>1,453,355</u>	<u>66,596,360</u>

### 2. Assets held

	Number at 1 April 2016	Changes 2016-17	Number at 31 March 2017
<b>Operational assets</b>			
<b>Dwellings</b>	553	-	553
<b>Other Land and Buildings</b>			
Car parks	4	-	4
Depots	2	-	2
Public Conveniences	4	-	4
Public Offices	1	-	1
Recreational properties	3	-	3
Miscellaneous properties	4	-	4
<b>Vehicles, Plant and Equipment</b>			
Vehicles	21	1	22
<b>Community Assets</b>			
Parks and open spaces	2	-	2
<b>Non-Operational Assets</b>			
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 2017

### 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 (including associated Housing Revenue account assets)	15 – 50
Motor 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 2017 was made up as follows:

	2016-17	2015-16
Houses and bungalows	382	382
Flats and maisonettes	171	171
<b>Total</b>	<b>553</b>	<b>553</b>

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

	2016-17 £	2015-16 £
Stock as at 1 April 2016	51,522,146	50,441,298
Additions	-	889,558
Transfers	-	987,448
Depreciation	(813,948)	(796,158)
<b>Stock as at 31 March 2017</b>	<b>50,708,198</b>	<b>51,522,146</b>

### 6. Intangible Fixed Assets

These represent software items which are amortised over 5 years

	31 Mar. 2017 £	31 Mar. 2016 £
Cost as at 1 April 2016	31,405	31,405
Additions in the year	-	-
Amortisation as at 31 March 2017	(31,405)	(31,405)
<b>Net book value as at 31 March 2017</b>	<b>-</b>	<b>-</b>

During the year amortisation charges amounted to £nil (2016 : £nil).

# Ramsey Town Commissioners

## Notes to the financial statements - continued

forming part of the financial statements for the year ended 31 March 2017

### 7. Capital expenditure and financing

	2016-17	2015-16
Capital investment	£	£
Operational assets	231,204	1,447,731
Non-operational assets	-	-
	<b>231,204</b>	<b>1,447,731</b>

This capital expenditure has been financed by bank borrowings and contributions from revenue.

### 8. Capital commitments

The estimated commitments for capital expenditure that had started, or legal contracts entered into, by 31 March 2017 are listed below:

	31 Mar. 2017	31 Mar. 2016
	£	£
Motor vehicles, plant & equipment	15,000	-

This relates to the future purchases of plant for the safe operation of the Northern Civic Amenity Site. The Authority commenced the administration of the Civic Amenity Site on 1 April 2017.

### 9. Debtors

#### Long Term Debtor

An amount of £1,238,404 (2016 : £1,274,493) is due from Manx Utilities Authority, of which £1,200,302 (2016 : £1,238,404) is due after more than one year. £38,102 (2016 : £36,089) is shown as due within one year below within sundry debtors.

Debtors due within one year	2017	2016
	£	£
Amounts falling due in one year (net of bad debt provision):		
Government departments	128,224	296,326
Other local authorities	60,624	53,023
Ratepayers	7,315	34,347
Housing rents	39,024	34,175
Sundry debtors	98,218	166,752
VAT	98,834	83,713
	<b>432,239</b>	<b>668,336</b>

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

# Ramsey Town Commissioners

## Notes to the financial statements - continued

forming part of the financial statements for the year ended 31 March 2017

<b>10. Creditors</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Central Government	<b>47,319</b>	-
Housing rents	<b>32,684</b>	39,092
Sundry creditors	<b>72,528</b>	76,071
	<b>152,531</b>	115,163

<b>11. Provisions</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Rate debtors	<b>127,500</b>	127,500
Sundry debtors	<b>81,706</b>	81,706
	<b>209,206</b>	209,206

## 12. Reserves

### Capital reserves

	<b>Revaluation reserve £</b>	<b>Capital adjustment account £</b>	<b>Usable capital receipts £</b>	<b>Pensions reserve £</b>
Balance as at 1 April 2016	<b>10,927,075</b>	<b>13,546,516</b>	<b>9,998</b>	<b>(3,425,000)</b>
Net (deficit)/surplus for the year	<b>(151,018)</b>	<b>769,964</b>	<b>9</b>	<b>(147,000)</b>
Actuarial gains/(losses)	-	-	-	<b>60,000</b>
Balance as at 31 March 2017	<b>10,776,057</b>	<b>14,316,480</b>	<b>10,007</b>	<b>(3,512,000)</b>

### Revenue reserves

	<b>Housing account £</b>	<b>General Fund £</b>	<b>Heating reserve £</b>	<b>Housing repairs account £</b>
Balance as at 1 April 2016	<b>(26,504)</b>	<b>1,531,659</b>	<b>60,613</b>	<b>273,991</b>
Net (deficit)/surplus for the year	-	<b>(143,560)</b>	<b>14</b>	<b>61</b>
Transfers (to)/from other reserves	-	-	<b>(31,274)</b>	<b>44,063</b>
Balance as at 31 March 2017	<b>(26,504)</b>	<b>1,388,099</b>	<b>29,353</b>	<b>318,115</b>

## 13. Cash at bank

The cash figure at 31 March 2017 was £1,433,086 (2016: £1,248,297). An analysis of the cash movements and the movement in net debt is provided in the cash flow statement and its notes on pages 18 to 20.

# Ramsey Town Commissioners

## Notes to the financial statements - continued

forming part of the financial statements for the year ended 31 March 2017

### 14. Analysis of net assets employed

	2017 £	2016 £
General Fund	5,520,578	5,713,815
Housing revenue account	17,779,029	17,184,533
	<b>23,299,607</b>	<b>22,898,348</b>

### 15. Borrowings

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

#### Analysis of loans by type:

	2017 £	2016 £
Commercial loans	36,740,228	38,193,465
<b>Total</b>	<b>36,740,228</b>	<b>38,193,465</b>

#### Analysis of loans by maturity:

Less than 1 year	1,514,145	1,453,115
Between 1 and 2 years	1,569,249	1,513,406
Between 2 and 5 years	4,951,228	4,845,539
Between 5 and 10 years	8,618,844	8,484,233
More than 10 years	20,086,762	21,897,172
	<b>36,740,228</b>	<b>38,193,465</b>

### 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 a Letter of Comfort provided by Treasury.

The Authority has also acquired financing in the form of variable rate loans from HSBC Bank to fund long-term capital projects. Interest is charged at Libor plus 0.95%, again the loans are repayable quarterly and are secured by a Letter of Comfort provided by Treasury.

# Ramsey Town Commissioners

## Notes to the financial statements - continued

forming part of the financial statements for the year ended 31 March 2017

### 16. Finance Lease

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

	<b>M. vehicles, Plant &amp; equipment £</b>
<b>Value as at 1 April 2016</b>	<b>229,906</b>
Additions	-
Depreciation	<b>(45,211)</b>
<b>Value as at 31 March 2017</b>	<b>184,695</b>

Outstanding obligations to make payments under these finance leases (excluding finance costs) as at 31 March 2017, account for as deferred liabilities, are as follows:

	<b>M. vehicles, Plant &amp; equipment £</b>
Obligations payable in 2017-18	<b>63,295</b>
Obligations payable between 2018-19 and 2019-20	<b>68,690</b>
	<b>131,985</b>

### 17. Members' allowances

During 2016-17 the Authority paid £4,902 (2015-16 : £1,899) 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	<b>2016-17 Number of employees</b>		<b>2015-16 Number of employees</b>	
	<b>Total</b>	<b>Leavers in yr.</b>	<b>Total</b>	<b>Leavers in yr.</b>
£50,000 - £74,999	<b>1</b>	<b>1</b>	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 the Authority 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.

# Ramsey Town Commissioners

## Notes to the financial statements - continued

forming part of the financial statements for the year ended 31 March 2017

### 19. Related party transactions - continued

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. The following is the case:

- 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 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 £67,136 (2016 : £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 £60,624 (2016 : £53,052).

### 20. Audit fees

During 2016/17 the Authority incurred the following fees relating to external audit and inspection:

	2016-17 £	2015-16 £
Fees payable with regard to external audit services carried out by the appointed auditor.	10,700	10,700

### 21. Total rateable value

The total rateable value at the year end was £697,143 (2016 : £693,805) and rates were levied at 348p in the £ (2016 : 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:

	2016-17 £	2015-16 £
Borrowing	-	1,056,994

# Ramsey Town Commissioners

## Notes to the financial statements - continued

forming part of the financial statements for the year ended 31 March 2017

### 24. Gross rent income

Gross rent income is the total rent due for the year after voids, write-offs, refunds etc. Voids of £50,366 represent 1.98% of the rent due for the year, compared to 1.99% in 2015-16.

### 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:

	<b>2016-17</b>	2015-16
	<b>£</b>	£
Deficiency receivable	<b>1,169,570</b>	1,117,014

### 26. Rent arrears

	<b>2016-17</b>	2015-16
	<b>£</b>	£
Rent arrears	<b>39,024</b>	34,175

Rent arrears as a percentage of gross rent income	<b>1.53%</b>	1.37%
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Arrears written off during the year amounted to £0 (£0 in 2015-16). A provision of £8,882 (2016 : £8,882) 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 2017 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:

<b>Assumptions</b>	<b>31 March 2017</b>	31 March 2016
	<b>% per annum</b>	% per annum
Rate of increase in pensions	<b>2.4%</b>	2.2%
Rate of increase in salaries	<b>3.2%</b>	3.7%
Rate of expected return on assets	<b>2.5%</b>	3.5%
Rate for discounting scheme liabilities	<b>2.5%</b>	3.5%



# Ramsey Town Commissioners

## Notes to the financial statements - continued

forming part of the financial statements for the year ended 31 March 2017

### 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 Mar. 2017 £	31 Mar. 2016 £
Estimated employer assets	7,722,000	6,521,000
Present value of scheme liabilities	(11,234,000)	(9,946,000)
Net pensions liability	(3,512,000)	(3,425,000)

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

	2016-17 £	2015-16 £
<b>Net operating expenditure</b>		
Expected return on employer assets	(305,000)	(313,000)
Interest on pension scheme liabilities	349,000	335,000
	44,000	22,000

The net deficit on the scheme has increased from £3,425,000 to £3,512,000. An analysis of the movement during the year is shown below:

	2016-17 £	2015-16 £
<b>Net pension liability at the beginning of the year</b>	3,425,000	3,885,000
Current service cost	373,000	362,000
Employer contributions	(270,000)	(227,000)
Interest cost	349,000	335,000
Expected net return on employer assets	(305,000)	(313,000)
Actuarial (gains)/losses	(60,000)	(617,000)
<b>Net pension liability at the end of the year</b>	3,512,000	3,425,000

The fair value of the pension scheme assets at 31 March 2017 can be analysed as follows :

	2016-17 £	2015-16 £
Equities	4,420,000	3,717,000
Bonds	2,014,000	1,761,000
Property	1,017,000	1,043,000
Cash	271,000	-
<b>Fair value of employer assets</b>	7,722,000	6,521,000

# Ramsey Town Commissioners

## Notes to the financial statements - continued

forming part of the financial statements for the year ended 31 March 2017

### 27. Pensions - continued

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

	<b>31 March 2017</b>	31 March 2016
	<b>%</b>	<b>%</b>
Equities	<b>2.5%</b>	5.7%
Bonds	<b>2.5%</b>	2.6%
Property	<b>2.5%</b>	3.8%
Cash	<b>2.5%</b>	2.5%

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:

		2016-17		2015-16
		Actuarial gain		Actuarial gain
		or loss as % of		or loss as % of
	£	assets/liabilities	£	assets/liabilities
Value of assets at end of year	7,722,000		6,521,000	
Total present value of liabilities	(11,234,000)		(9,946,000)	
Difference between actual and expected return on assets	1,426,000	18.4%	287,000	4.4%
Actuarial gains recognised in the statement	60,000	0.5%	617,000	6.2%

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.

### 28. Post balance sheet events

As from 1 April 2017 the Northern Civic Amenity Site has been managed by a Joint Committee consisting of one elected member from each of the parishes of Andreas, Ballaugh, Bride, Jurby, Lezayre, Maughold and Ramsey, and the Authority has undertaken the day-to-day administration function on behalf of the Joint Committee.

The financial statements for the year ended 31 March 2018 will incorporate the income received and expenditure incurred during the operation of the site for that year.

# Ramsey Town Commissioners

## Detailed Income and Expenditure Account - continued

for the year ended 31 March 2017

<b>Office administration and general expenses</b>		<b>2016-17</b>	<b>2015-16</b>
	£	£	£
Rate collection costs		21,733	22,042
Audit fees		10,622	8,266
Internal audit fees		4,750	8,750
Accountancy		(1,626)	12,004
Legal expenses		6,031	5,575
Election expenses		4,272	930
Insurance		11,290	11,856
Heat and light		20,717	21,859
Printing, stationery, telephone & rent		50,561	43,521
Caretaker's wages		27,058	14,685
Salaries		559,740	488,396
Pensions		140,926	123,708
Staff training		4,476	4,126
Business continuity plan		-	1,185
Fuel for vans		1,091	864
Depreciation		83,604	84,769
Doubtful debts		1,624	15,621
		<u>946,869</u>	<u>868,157</u>
Fixed penalties	895		100
Administration fee from Ramsey and Northern Districts Housing Committee	60,624		53,023
		<u>(61,519)</u>	<u>(53,123)</u>
		<u>885,350</u>	<u>815,034</u>
<b>Miscellaneous</b>			
Advertising	4,366		6,565
Members' expenses	4,902		1,899
Chairman's expenses	2,036		1,637
Town Band	1,000		1,000
Municipal Sunday	1,250		963
War Memorial	2,276		902
Incidental	2,958		14,748
Town Warden	13,036		16,811
Bank charges	11,210		9,495
Ramsey regeneration	341		462
		<u>43,375</u>	<u>54,482</u>
Incidental	894		9,292
Search fees	17,113		12,100
		<u>(18,007)</u>	<u>(21,392)</u>
		<u>25,368</u>	<u>33,090</u>

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# Ramsey Town Commissioners

## Detailed Income and Expenditure Account - continued

for the year ended 31 March 2017

### Housing and Property

	2016-17		2015-16
	£	£	£
<b>Housing</b>			
Oil and electricity		65,535	61,861
Restroom refurbishment		97	155
Garage repairs		1,933	1,211
		<hr/>	<hr/>
		67,565	63,227
Heating charges	34,170		69,588
Drying tokens	529		481
Restroom hire	597		1,270
Garage rents	1,352		1,456
	<hr/>	<hr/>	<hr/>
		(36,648)	(72,795)
		<hr/>	<hr/>
		30,917	(9,568)
<b>Workshops</b>			
Maintenance and insurance		50,284	50,221
<b>Town Hall</b>			
Maintenance and insurance		50,767	60,114
Income	24,860		26,133
Registry office income	11,642		11,345
	<hr/>	<hr/>	<hr/>
		(36,502)	(37,478)
<b>Public Conveniences</b>			
Contract cleaners	19,318		20,863
Maintenance and insurance	24,710		48,402
Cleaning materials	4,599		2,092
Depreciation	18,331		18,012
	<hr/>	<hr/>	<hr/>
		66,958	89,369
<b>Housing Revenue Account</b>			
Administration charge		(141,586)	(135,591)
		<hr/>	<hr/>
		20,838	17,067
		<hr/>	<hr/>

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# Ramsey Town Commissioners

## Detailed Income and Expenditure Account - continued

for the year ended 31 March 2017

<b>Works and Development</b>	<b>2016-17</b>		<b>2015-16</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amenities and services</b>			
Foreshore, flags and deckchairs		3,203	1,086
<b>Car Parks</b>			
Operational costs	37,335		14,431
Depreciation	2,300		2,300
	<hr/>		<hr/>
	39,635		16,731
Car parking spaces income	(12,204)		(11,326)
	<hr/>		<hr/>
		27,431	5,405
<b>Refuse</b>			
Wages	209,221		189,169
Operational costs	498,803		508,646
Leasing costs	3,013		2,900
Depreciation	70,724		69,316
	<hr/>		<hr/>
	781,761		770,031
Collection charges	(130,384)		(128,152)
Gain on fixed asset disposal	(6,600)		-
	<hr/>		<hr/>
		644,777	641,879
<b>Sewers and Pumps</b>			
Operational costs	29		-
Government refund re sewer connections	(68,921)		(70,920)
	<hr/>		<hr/>
		(68,892)	(70,920)
<b>Miscellaneous</b>			
Seats, promenade shelters, street nameplates & town clocks maintenance	16,470		8,589
Street and decorative lighting maintenance	77,898		67,596
CC TV town area	4,095		2,750
Local services	59,335		49,054
Grass cutting and tree limbing	31		49
Property repairs private sector	4,352		1,963
Depreciation	25,418		31,717
	<hr/>		<hr/>
	187,599		161,718
Property repairs			
Government grants re grass cutting & tree limbing	(-)		(41)
	<hr/>		<hr/>
		187,599	161,677
		<hr/>	<hr/>
		794,118	739,127
		<hr/>	<hr/>

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# Ramsey Town Commissioners

## Detailed Income and Expenditure Account - continued

for the year ended 31 March 2017

<b>Parks and Leisure</b>	<b>£</b>	<b>2016-17 £</b>	<b>£</b>	<b>2015-16 £</b>
<b>Advertising and entertainment</b>				
Publicity		1,066		10,955
Seasonal entertaining and attractions		34,115		24,660
Ramsey in Bloom		8,348		7,757
		<hr/>		<hr/>
		43,529		43,372
Camper van permit income		(2,168)		(3,042)
Advertising income		(200)		-
		<hr/>		<hr/>
		41,161		40,330
<b>Amenities and Services</b>				
Mooragh Park amusements maintenance		4,329		16,512
<b>Mooragh Park Gardens and Land</b>				
Wages	136,723		133,164	
Maintenance	61,782		78,871	
Skate Park	2,642		1,161	
Depreciation	29,320		33,556	
	<hr/>		<hr/>	
	230,467		246,752	
Income	(603)		(603)	
Gain on fixed asset disposal	(200)		-	
	<hr/>		<hr/>	
		229,664		246,149
<b>Trading Concessions</b>				
Rates, insurance and licences	4,165		3,442	
Courts and greens maintenance	17,122		36,084	
Depreciation	8,646		8,645	
	<hr/>		<hr/>	
	29,933		48,171	
Rent & rates	(47,185)		(42,430)	
	<hr/>		<hr/>	
		(17,252)		5,741
<b>Swimming Pool</b>				
Rate contribution		16,375		16,229
<b>Maintenance of Properties</b>		21,138		26,252
<b>Ramsey and Northern Districts Housing Committee</b>				
Wages etc.	7,222		10,227	
Income	(6,512)		(10,996)	
	<hr/>		<hr/>	
		710		(769)
Carried forward		<hr/>		<hr/>
		296,125		350,444

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# Ramsey Town Commissioners

## Detailed Income and Expenditure Account - continued

for the year ended 31 March 2017

### Parks and Leisure - continued

	<b>2016-17</b>		2015-16
	£	£	£
Brought forward		296,125	350,444
<b>Library</b>			
Salaries	86,141		80,144
Repairs and maintenance	19,028		20,253
Depreciation	35,868		36,120
	<u>141,037</u>		<u>136,517</u>
Library fee income	<u>(11,704)</u>		<u>(10,458)</u>
		129,333	126,059
		<u>425,458</u>	<u>476,503</u>

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