

# **Ramsey Town Commissioners**

## **Statement of Accounts**

**For the year ended 31 March 2013**

# 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 2013. It has been prepared in accordance with the Isle of Man Statement of Recommended Practice 2007 on accounting for entities subject to the Audit Act 2006.

The individual accounts within the Statement are as follows:

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

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

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

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

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

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

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

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

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

### Income and Expenditure Account

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

Net expenditure is met from the following sources:

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

# Ramsey Town Commissioners

## Explanatory Foreword (continued)

### **Income and Expenditure Account (continued)**

The income and expenditure account for the year shows a deficit of £13,552,070 (2012: £598,404) however once the other movements on the general fund have been taken into account, as detailed below, the results show an overall surplus of £291,012 (2012: £54,385). During the year, a full revaluation of the assets of the Authority was undertaken as detailed in note 1 to the financial statements. This resulted in an impairment provision of £14,113,723 against the net book value of assets held.

### **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 Income and Expenditure Account**

The Housing Revenue Account shows the income and expenditure on Authority housing. For the year ended 31 March 2013, the deficiency requirement amounted to £1,411,512 (2012: £1,404,558).

### **Statement on the Movement on the Housing Revenue Account Balance**

This statement shows the deficit on the Housing Revenue Income and Expenditure Account adjusted for the additional amounts as required by Statute and non-statutory proper practices. Deficiency payments are received from Department of Social Care covering any deficit and hence there is no annual movement on the reserve.

### **Statement of Total Recognised Gains and Losses**

This statement summarises all gains and losses incurred during the period and includes actuarial losses for the period of £262,000 (2012: £28,000).

The full property revaluation also resulted in unrealised gains of £7,574,865 during the period.

### **Capital Expenditure**

Total capital expenditure in the year was £2,067,399 (2012: £3,501,059).

### **General Rate Fund**

The general rate income due and collected by the Authority is shown in the General Rate Fund. Rates were levied at 342p (2012:332p) in the £ on an average rateable value of £682,753 (2012: £669,835) during the year.

# Ramsey Town Commissioners

## Explanatory Foreword (continued)

### **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 Pension Scheme that is attributable to Ramsey Town Commissioners.

This is the difference between future liabilities and assets, as valued at 31 March 2013 and amounts to £2,022,000 (2012: £1,700,000).

### **Investments and Borrowing**

The Authority borrowed £3,609,324 (2012: £2,600,000) during the year to finance capital expenditure.

### **Reserves**

The Authority has increased its general fund reserves from £1,239,455 in 2012 to £1,530,467 at March 2013. 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 as at 31 March 2013, and in accordance with United Kingdom generally accepted accounting principles.

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

### **Tangible fixed assets**

#### **Recognition**

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

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

#### **Valuations**

The SORP requires the dwellings and other land and buildings to be held at the lower of net current replacement cost or net realisable value in existing use. These assets were previously held at historical cost and not depreciated which is contrary to the accounting treatment required by the SORP. A valuation has been carried out as at 31 March 2013 and this has been accounted for in these accounts.

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 realisable value in existing use, with depreciation calculated and applied on this amount. In the prior year, the assets had not been valued and depreciated in accordance with the SORP.

# Ramsey Town Commissioners

## Statement of Accounting Policies (continued)

### **Valuations (continued)**

Investment properties are held at historical cost. The SORP requires that investment properties should be held at the lower of net current replacement cost or net realisable value. Therefore the investment properties have not been valued in accordance with the SORP.

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

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

### **Depreciation**

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

### **Impairment**

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

### **Disposals**

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

### **Deferred Liabilities**

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

### **Housing Deficiency**

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

# 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 work in progress on the balance sheet.
- Interest payable and receivable on borrowings is accounted for in the year to which it relates, on a basis that reflects the overall effect of the loan or investment.
- Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Income and expenditure are credited and debited to the relevant account, unless they properly represent capital receipts or capital expenditure. These accruals are largely based on known commitments and can be assessed accurately. Where estimates are made, they are based on historical records, precedence and officers' knowledge and experience. In all cases the Authority adopts a prudent approach to avoid overstating its resources.

### **Value Added Tax**

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

### **Overheads**

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

### **Pension costs**

Pension arrangements for Authority employees are handled by the Local Government Pension 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 2012/13 contributions being based on the results of the review as at 31 March 2010. 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 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)

### 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.

### 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 Pension 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 are reasonable and prudent; and
- comply with the SORP.

The Responsible Financial Officer should also:

- keep proper accounting records which are 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 2013.

# Ramsey Town Commissioners

## Statement of Internal Control

### Introduction

Regulation 8 of the Accounts and Audit Regulations 2007 requires the Authority to conduct a review at least once a year of the effectiveness of its systems of internal control and include a statement on internal control within the Authority's statement of accounts.

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

### Responsibilities of the Board and the Responsible Financial Officer

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

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

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

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

### Internal control and corporate governance environment

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

- **Board meetings**

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

### Review of internal control and corporate governance environment

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

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

# 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 2013.

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

- Debt control
- Library services
- Review of revised rent point calculations
- Riverside workshops/maintenance department process

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

(Dated) 3rd September 2014

# Ramsey Town Commissioners

## **Report of the Independent Auditors, Grant Thornton Limited, to Ramsey Town Commissioners**

We have audited the financial statements of Ramsey Town Commissioners for the year ended 31 March 2013 which comprise the statement of accounting policies, the income and expenditure account, the statement of the movement on the general fund balance, housing revenue income and expenditure account, statement of the movement on the housing revenue account balance, statement of total recognised gains and losses, the balance sheet, the cash flow statement, the general rate fund and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Statement of Recommended Practice 2007: Accounting for entities subject to the Audit Act 2006 ("the SORP").

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

### **Respective responsibilities of Responsible Financial Officer and auditors**

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

### **Scope of the audit**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Basis for qualified opinion on financial statements**

In the prior year, included within dwellings and other land and buildings are assets reported at historical cost, not at the lower of net current replacement cost or net realisable value in existing use as required by section 3.97 of the SORP. In addition, as disclosed in the Statement of accounting policies, in the current and prior year, these assets are not depreciated as required by section 3.112 of the SORP. In the current and prior year investment property has also been reported at historical cost, not at the lower of net current replacement cost or net realisable value as required by section 3.98 of the SORP.

# Ramsey Town Commissioners

## Report of the Independent Auditors, Grant Thornton Limited, to Ramsey Town Commissioners (continued)

### Qualified opinion on financial statements

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

- give a true and fair view of the state of the authority's affairs as at 31 March 2013 and of its deficit 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 2007 made under the Audit Act 2006.

### Matters on which we are required to report by exception

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

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



Grant Thornton Limited  
Chartered Accountants  
PO Box 307  
54-62 Athol Street  
Douglas,  
Isle of Man  
IM99 2BE

Date:

# Ramsey Town Commissioners

## Income and Expenditure Account

For the year ended 31 March 2013

	2012/13 Gross Expenditure £	2012/13 Gross Income £	2012/13 Net Expenditure/ (income) £	2011/12 Net Expenditure/ (income) £
Continuing operations:				
Office administration & Office expenses	862,622	50,219	812,403	822,199
Miscellaneous properties	49,143	15,638	33,505	30,927
Housing & Property	245,637	286,889	(41,252)	37,898
Works & Development	814,750	430,367	384,383	429,694
Parks & Leisure	540,654	61,128	479,526	467,046
Impairment of non-housing assets	1,444,429	-	1,444,429	-
Housing Income & Expenditure Account	14,303,530	3,731,897	10,571,633	(2,527,665)
Current service cost adjustment re : pensions	1,000	-	1,000	(14,000)
<b>Net cost of services</b>	<b>18,261,765</b>	<b>4,576,138</b>	<b>13,685,627</b>	<b>(753,901)</b>
Insurance and compensation proceeds			-	(1,158,587)
Interest payable and similar charges			2,043,488	1,954,759
Interest and investment income			(10,751)	(10,373)
Pensions interest cost & return on pension assets			59,000	36,000
Impairment of fixed assets			-	1,457,446
<b>Net operating expenditure</b>			<b>15,777,364</b>	<b>1,525,344</b>
<b>Sources of finance</b>				
Income from the General Rate Fund			2,225,294	2,123,748
<b>Net (deficit)/surplus for the year</b>			<b>(13,552,070)</b>	<b>598,404</b>

The notes on pages 24 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 2013

	2012/13 £	2011/12 £
<b>(Deficit)/surplus for the year on the income and expenditure account</b>	<b>(13,552,070)</b>	<b>598,404</b>
<b>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</b>		
Insurance and compensation proceeds	-	(1,158,587)
Depreciation and impairment of fixed assets	1,604,496	1,481,526
Net charges made for retirement benefits	60,000	22,000
Profit on sale of fixed assets	(4,623)	-
<b>Amounts not included in the Income and Expenditure Account but required by statute to be included by statute when determining the Movement on the General Fund Balance for the year</b>		
Loans funds principal repayments	(107,771)	(101,260)
Finance lease capital repayments	(29,096)	(29,096)
Capital expenditure met by general fund	(88,320)	(132,466)
<b>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</b>		
Transfer to heating reserve	1,187	10,068
Transfer from housing revenue account	12,407,321	(636,134)
Transfer to housing reserve	(81)	(39)
Transfer from Usable capital receipts reserve	(31)	(31)
Surplus for the year	<b>291,012</b>	<b>54,385</b>
General Fund Balance brought forward	<b>1,239,455</b>	<b>1,185,070</b>
<b>General Fund Balance carried forward</b>	<b>1,530,467</b>	<b>1,239,455</b>

The notes on pages 24 to 34 form part of these financial statements.



# Ramsey Town Commissioners

## Housing Revenue Income and Expenditure Account for the year ended 31 March 2013

	2012/13 £	2012/13 £	2011/12 £ (restated)	2011/12 £ (restated)
<b>Income</b>				
Dwelling rents	1,960,867		1,770,958	
Contributions towards expenditure including Housing Deficiency Payments	1,411,512		1,404,558	
Any other income	359,518		356,712	
<b>Total income</b>		3,731,897		3,532,228
<b>Expenditure</b>				
Repairs and maintenance	537,229		468,366	
Supervision & management	135,591		135,591	
Rent, rates, taxes and other charges	359,518		346,497	
Depreciation	3,817		3,817	
Impairment of fixed assets	13,257,750		1,303,079	
Additional allowances re 2009, 2010, 2011	-		50,292	
Bad debt provision	9,625		-	
		(14,303,530)		(2,307,642)
<b>Net cost of HRA services as included in the whole authority income and expenditure account</b>		(10,571,633)		1,224,586
Insurance and compensation proceeds		-		1,158,587
Interest payable and similar charges		(1,843,565)		(1,754,618)
Interest income		7,877		7,579
<b>(Deficit)/surplus for the year on HRA services</b>		(12,407,321)		636,134

The notes on pages 24 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 2013

	2012/13 £	2011/12 £
<b>(Deficit)/surplus for the year on the HRA income and expenditure account</b>	<b>(12,407,321)</b>	636,134
<b>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</b>		
Insurance and compensation proceeds	-	(1,158,587)
Depreciation & impairment of fixed assets	13,261,567	1,306,896
<b>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</b>		
Loan funds principal repayments	(826,735)	(710,444)
<b>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</b>		
Transfers to housing maintenance account	(37,136)	(73,999)
	<u>(9,625)</u>	-
Housing Revenue Account Balance brought forward	-	-
<b>Housing Revenue Account Balance carried forward</b>	<b><u>(9,625)</u></b>	<b><u>-</u></b>

## Statement of Total Recognised Gains and Losses for the year ended 31 March 2013

	2012/13 £	2011/12 £
<b>(Deficit)/surplus on the income and expenditure account for the year</b>	<b>(13,552,070)</b>	598,404
Housing revenue prior year amendment	-	50,292
Other recognised gains and losses	7,574,865	36,030
Actuarial losses on pension fund assets & liabilities	(262,000)	(28,000)
Loss on curtailment	-	(34,000)
<b>Total recognised gains and losses for the year</b>	<b><u>(6,239,205)</u></b>	<b><u>622,726</u></b>

The notes on pages 23 to 33 form part of these financial statements.

# Ramsey Town Commissioners

## Balance Sheet

As at 31 March 2013

	Notes	2013 £	2013 £	2012 £	2012 £
<b>Fixed assets</b>					
Tangible fixed assets	1				
<b>Operational assets</b>					
Dwellings	1/5	51,753,446		58,752,119	
Other land & buildings	1	7,830,000		5,129,226	
Vehicles, plant, furniture & Equipment	1	359,043		420,355	
Infrastructure assets	1	68,982		56,552	
Community assets	1	-		138,367	
			60,011,471		64,496,619
<b>Non-operational assets</b>					
Assets under construction	1	310,679		1,052,248	
Investment properties	1	1,206,000		1,197,166	
			1,516,679		2,249,414
Intangible assets	6		12,562		18,843
<b>Long term debtor</b>	9		2,590		14,195
			61,543,302		66,779,071
<b>Current assets</b>					
Debtors	9	454,295		1,089,246	
Cash at bank	13	1,460,083		1,559,460	
		1,914,378		2,648,706	
<b>Current liabilities</b>					
Short-term borrowing	15	1,139,627		1,063,985	
Finance lease liability	16	29,096		29,096	
Creditors	10	264,620		544,286	
Bank overdraft		505,954		2,746,352	
		1,939,297		4,383,719	
<b>Net current assets/(liabilities)</b>			(24,919)		(1,735,013)
<b>Total assets less current liabilities</b>			61,518,383		65,044,058
<b>Long-term liabilities</b>					
Long-term borrowing	15	38,021,081		35,600,455	
Pension liability	27	2,022,000		1,700,000	
Finance lease liability	16	29,096		58,192	
			40,072,177		37,358,647
<b>Total assets less liabilities</b>			21,446,206		27,685,411

# Ramsey Town Commissioners

## Balance Sheet (continued)

As at 31 March 2013

Financed by:		2013 £	2012 £
Revaluation reserve	12	11,263,521	18,390,479
Capital adjustment account	12	10,462,698	9,570,392
Usable capital receipts reserve	12	31,008	30,977
Pension reserve	12	(2,022,000)	(1,700,000)
Earmarked reserve	12	42,281	43,468
General fund	12	1,530,467	1,239,455
Housing repairs account	12	147,856	110,640
Housing account	12	(9,625)	-
		<u>21,446,206</u>	<u>27,685,411</u>

The financial statements were approved and authorised for issue by the Authority on 03.09.14 and were signed on their behalf by:

Chairman

*N. H. Malpas*

Responsible Finance Officer

*Stuart Bui*

The notes on pages 23 to 33 form part of these financial statements

# Ramsey Town Commissioners

## Cash Flow Statement

for the year ended 31 March 2013

Revenue activities	2012/13	2011/12
	£	£
<b>Cash outflows</b>		
Cash paid to and on behalf of employees	1,577,515	1,577,148
Other operating cash payments	1,537,532	1,894,770
	(3,115,047)	(3,471,918)
<b>Cash inflows</b>		
Rents (after rebates)	2,042,069	1,846,293
Rate receipts	2,146,696	2,077,549
Revenue support grant	2,022,582	1,083,722
Cash received for goods and services	985,110	1,053,351
	7,196,457	6,060,915
<b>Net cash inflow from revenue activities</b>	<b>4,081,410</b>	<b>2,588,997</b>
<b>Returns on Investments and servicing of finance</b>		
<b>Cash outflows</b>		
Interest paid	(2,041,635)	(1,956,331)
<b>Cash inflows</b>		
Interest received	10,751	10,373
<b>Net servicing of finance</b>	<b>(2,030,884)</b>	<b>(1,945,958)</b>
<b>Capital activities</b>		
<b>Cash outflows</b>		
Purchase of fixed assets	(2,380,300)	(3,777,723)
<b>Cash inflows</b>		
<b>Proceeds on sale of assets</b>	<b>3,623</b>	<b>-</b>
<b>Net cash outflow before financing</b>	<b>(326,151)</b>	<b>(3,134,684)</b>
<b>Management of liquid resources</b>		
Net increase /(decrease) in short term deposits	287,384	(939,700)
	287,384	(939,700)
<b>Financing</b>		
<b>Cash outflows</b>		
Repayments of amounts borrowed	(934,506)	(811,704)
Capital element of finance lease rental	(29,096)	(29,096)
Repayment of bonds	(178,550)	(126,300)
	(1,142,152)	(967,100)
<b>Cash inflows</b>		
New loans raised	3,609,324	2,600,000
Insurance claim	-	1,158,587
	3,609,324	3,758,587
	2,467,172	2,791,487
<b>Net increase/ (decrease) in cash</b>	<b>2,428,405</b>	<b>(1,282,897)</b>

The notes on pages 23 to 33 form part of these financial statements

# Ramsey Town Commissioners

## Notes to the Cash Flow Statement

for the year ended 31 March 2013

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

	2012/13	2011/12
	£	£
Net (deficit)/surplus	(13,552,070)	598,404
Depreciation	157,602	159,828
Amortisation	6,281	12,562
Insurance proceeds	-	(1,158,587)
Housing revenue adjustment re prior years	-	50,292
Profit on sale of assets	(4,623)	-
Other recognised gains	366	929
Impairment of assets	14,702,179	1,457,446
Appropriations to pension reserve	60,000	22,000
Interest paid	2,041,635	1,956,331
Interest received	(10,751)	(10,373)
Decrease/(increase) in debtors	647,556	(308,967)
Increase/(decrease) in creditors	33,235	(190,868)
Net cash inflow from revenue activities	<u>4,081,410</u>	<u>2,588,997</u>

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

	2012/13	2012/13	2011/12
	£	£	£
Net debt at 1 April		(37,938,620)	(35,962,524)
Movement in net debt:			
Increase /(decrease) in cash in the period	2,428,405		(1,282,897)
Outflow from decrease in debt financing	(2,496,268)		(1,661,995)
(Outflow)/inflow from movement in liquid resources	(287,384)		939,700
Inflow from movement in finance leases	29,096		29,096
		<u>(326,151)</u>	<u>(1,976,096)</u>
Net debt at 31 March		<u>(38,264,771)</u>	<u>(37,938,620)</u>

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

	Balance at 31 March 2012	Cash movement	Non Cash movement	Balance at 31 March 2013
	£	£	£	£
Cash in hand	259,710	188,007	-	447,717
Overdraft	(2,746,352)	(1,368,927)	3,609,325	(505,954)
	<u>(2,486,642)</u>	<u>(1,180,920)</u>	<u>3,609,325</u>	<u>(58,237)</u>
Short term investments	1,299,750	(287,384)	-	1,012,366
Net debt:				
Due within one year	(859,085)	934,506	(1,215,048)	(1,139,627)
Due after one year	(35,805,355)	178,551	(2,394,277)	(38,021,081)
Finance lease	(87,288)	29,096	-	(58,192)
Total net debt	<u>(37,938,620)</u>	<u>(326,151)</u>	<u>-</u>	<u>(38,264,771)</u>

# Ramsey Town Commissioners

## Notes to the Cash Flow Statement (continued)

*for the year ended 31 March 2013*

### **4. Government Grants**

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

# Ramsey Town Commissioners

## General Rate Fund

as at 31 March 2013

	2013	2012
£	£	£
Total rates levied for the year	2,335,015	2,223,853
<i>Add:</i>		
Due from Treasury re prior year	51,408	12,748
Arrears brought forward	118,858	138,913
	<u>170,266</u>	<u>151,661</u>
<i>Less:</i>		
Discounts	(79,384)	(76,068)
Exempt and unoccupied properties	(29,362)	(22,329)
Refunds	(975)	(1,707)
Collection charge	(22,660)	(21,296)
Write off	(4,267)	(6,299)
	<u>(136,648)</u>	<u>(127,699)</u>
<b>Total rates collectable</b>	<b><u>2,368,633</u></b>	<b><u>2,247,815</u></b>
 Rates received in the year:		
Current year rates	2,054,018	1,993,041
Arrears collected	41,269	71,760
Balance from Treasury re previous year	51,408	12,748
	<u>2,146,695</u>	<u>2,077,549</u>
<b>Total rates received in the year</b>	<b>2,146,695</b>	<b>2,077,549</b>
 Balances outstanding carried forward:		
Due from Treasury re current year	87,066	51,408
Arrears - current year	61,550	58,004
- previous years	73,322	60,854
	<u>221,938</u>	<u>170,266</u>
	<b><u>2,368,633</u></b>	<b><u>2,247,815</u></b>



# Ramsey Town Commissioners

## Notes to the financial statements

(forming part of the financial statements for the year ended 31 March 2013)

### 1. Tangible fixed assets

	Dwellings	Other Land and Buildings	Motor Vehicles Plant and Equipment	Infra- structure assets	Community Assets	Total
Cost/Valuation	£	£	£	£	£	£
At 31 March 2012	58,752,119	5,129,226	2,030,332	369,687	278,712	66,560,076
Additions in the year	2,719,926	-	57,993	30,327	-	2,808,246
Disposals	-	-	(167,568)	-	-	(167,568)
Transfers	157,892	278,357	-	-	(116,817)	319,432
Impairments	(13,257,750)	(854,823)	-	-	(1,150)	(14,113,723)
Revaluations	3,381,259	3,277,240	-	-	-	6,658,499
<b>At 31 March 2013</b>	<b>51,753,446</b>	<b>7,830,000</b>	<b>1,920,757</b>	<b>400,014</b>	<b>160,745</b>	<b>62,064,962</b>
<b>Depreciation</b>						
At 31 March 2012	-	-	1,609,977	313,135	140,345	2,063,457
Charge for the year	-	-	119,305	17,897	20,400	157,602
Disposals in the year	-	-	(167,568)	-	-	(167,568)
<b>At 31 March 2013</b>	<b>-</b>	<b>-</b>	<b>1,561,714</b>	<b>331,032</b>	<b>160,745</b>	<b>2,053,491</b>
<b>Net book value</b>						
<b>At 31 March 2013</b>	<b>51,753,446</b>	<b>7,830,000</b>	<b>359,043</b>	<b>68,982</b>	<b>-</b>	<b>60,011,471</b>
At 31 March 2012	58,752,119	5,129,226	420,355	56,552	138,367	64,496,619

Included within Vehicles, plant and equipment above, is a vehicle which is held on finance lease. The cost of this asset is £145,480, to which £20,783 of depreciation has been attributed in the year.

### Valuation of fixed assets

The Authority plans to fully revalue its fixed assets every five years. Valuations have been carried out by Chrystals Commercial, Chartered Surveyors who are the Authority's external valuer as at 31 March 2013. The basis for valuation is set out in the statement of accounting policies.

### Cost/valuation

	Assets under Construction	Investment Properties	Total
	£	£	£
At 31 March 2012	1,052,248	1,197,166	2,249,414
Additions in the year	1,119,605	-	1,119,605
Impairment	(722)	(587,734)	(588,456)
Transfers	(1,860,452)	(319,432)	(2,179,884)
Revaluation	-	916,000	916,000
<b>At 31 March 2013</b>	<b>310,679</b>	<b>1,206,000</b>	<b>1,516,679</b>

# Ramsey Town Commissioners

## Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2013)

### 2. 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
Vehicles, Plant & Equipment	7
Infrastructure Assets	7
Community Assets	7
Property	50

### 3. Assets held

	Number at 31 March 2012	Changes 2012/13	Number at 31 March 2013
<b>Operational assets</b>			
<b>Dwellings</b>	558	-	558
<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	26	(7)	19
<b>Community Assets</b>			
Parks and open spaces	2	-	2
<b>Non-Operational assets</b>			
Commercial properties	4	-	4

### 4. Housing fixed assets

The dwellings consist of the Authority's housing stock.

# Ramsey Town Commissioners

## Notes to the financial statements (continued)

*(forming part of the financial statements for the year ended 31 March 2013)*

### 5. Housing stock

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

	2012/13	2011/12
	£	£
Houses & bungalows	379	379
Flats & maisonettes	179	179
	<u>558</u>	<u>558</u>

Changes in the housing stock are detailed below:

	2012/13	2011/12
	£	£
Stock at 1 April 2012	58,752,119	45,442,824
Additions	2,719,926	14,612,374
Transfers	157,892	-
Impairments	(13,257,750)	(1,303,079)
Revaluations	3,381,259	-
<b>Stock at 31 March 2013</b>	<b><u>51,753,446</u></b>	<b><u>58,752,119</u></b>

### 6. Intangible Fixed Assets

These represent software items which are amortised over 5 years

	31 March 2013	31 March 2012
	£	£
Cost		
At 1 April 2012	31,405	-
Additions in the year	-	31,405
	<u>31,405</u>	<u>31,405</u>
Net book value as at 31 March 2013		
	<u>31,405</u>	<u>31,405</u>
<b>Amortisation</b>		
At 1 April 2012	12,562	-
Amortisation in the year	6,281	12,562
	<u>18,843</u>	<u>12,562</u>
At 31 March 2013		
	<u>18,843</u>	<u>12,562</u>
Net Book Value		
At 31 March 2013	<u>12,562</u>	<u>18,843</u>
At 31 March 2012	<u>18,843</u>	<u>-</u>

# Ramsey Town Commissioners

## Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2013)

### 7. Capital expenditure and financing

	2012/13 £	2011/12 £
<b>Capital investment</b>		
Operational assets	88,320	132,465
Non-operational assets	1,979,079	3,364,899
	<u>2,067,399</u>	<u>3,497,364</u>

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 2013 are listed below:

	31 March 2013 £	31 March 2012 £
Housing	<u>86,113</u>	<u>644,358</u>

### 9. Debtors

	2013 £	2012 £
Amounts falling due in one year (net of bad debt provisions):		
Government departments	157,700	645,152
Other local authorities	-	59,380
Ratepayers	39,765	38,752
Housing rents	24,179	16,070
Sundry debtors	115,498	116,110
Value Added Tax	117,153	213,782
	<u>454,295</u>	<u>1,089,246</u>

Debtors balances are shown net of provisions for bad or doubtful debts. Details of these provisions are given at note 11. Long term debtors of £2,590 (2012: £14,195) relates to amounts due after one year relating to property repairs carried out on behalf of a tenant, to be repaid to the Authority. A provision of £11,315 has been made against this debt.

### 10. Creditors

	2013 £	2012 £
Central Government	78,258	30,379
Housing rents	14,885	11,642
Capital projects: amounts outstanding	-	150,276
Sundry creditors	109,803	102,474
Retentions	61,674	249,515
	<u>264,620</u>	<u>544,286</u>

# Ramsey Town Commissioners

## Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2013)

### 11. Provisions

	2013 £	2012 £
Rate debtors	95,107	80,107
Sundry debtors	14,856	2,254
	<u>109,963</u>	<u>82,361</u>

### 12. Capital reserves and accounts

	Revaluation reserve £	Capital adjustment account £	Usable capital receipts £	Pensions reserve £
Balance at 1 April 2012	18,390,479	9,570,392	30,977	(1,700,000)
Net surplus for year	-	892,306	31	(60,000)
Unrealised loss on revaluation of assets	(7,126,958)	-	-	-
Actuarial losses	-	-	-	(262,000)
Balance at 31 March 2013	<u>11,263,521</u>	<u>10,462,698</u>	<u>31,008</u>	<u>(2,022,000)</u>

### Revenue reserves

	Housing account £	General Fund £	Heating Reserve £	Housing repairs account £
Balance at 1 April 2012	-	1,239,455	43,468	110,640
Net surplus for year	-	291,012	40	80
Transfers (to)/from other reserves	(9,625)	-	(1,227)	37,136
Balance at 31 March 2013	<u>(9,625)</u>	<u>1,530,467</u>	<u>42,281</u>	<u>147,856</u>

### 13. Cash at bank

The cash figure at 31 March 2013 was £1,460,083 (2012: £1,559,460). 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

	2013 £	2012 £
General fund	5,148,392	581,677
Housing revenue account	16,297,814	27,103,734
	<u>21,446,206</u>	<u>27,685,411</u>

# Ramsey Town Commissioners

## Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2013)

### 15. Borrowings

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

	2013	2012
	£	£
<b>Analysis of loans by type:</b>		
Commercial loans	39,094,508	36,419,690
Local authority bonds	66,200	244,750
	<u>39,160,708</u>	<u>36,664,440</u>
Total	39,160,708	36,664,440
	<u>39,160,708</u>	<u>36,664,440</u>
<b>Analysis of bonds and loans by maturity:</b>		
Less than 1 year	1,139,627	1,063,985
Between 1 and 2 years	1,142,008	920,844
Between 2 and 5 years	3,751,006	2,982,772
Between 5 and 10 years	7,350,265	6,042,621
More than 10 years	25,777,802	25,654,218
	<u>39,160,708</u>	<u>36,664,440</u>
Total outstanding	39,160,708	36,664,440
	<u>39,160,708</u>	<u>36,664,440</u>

### Loan security

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

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

### 16. Finance Lease

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

	Vehicles, plant and equipment
	£
<b>Value at 1 April 2012</b>	103,914
Additions	-
Depreciation	(20,783)
<b>Value at 31 March 2013</b>	<u>83,131</u>

Outstanding obligations to make payments under these finance leases (excluding finance costs) as at 31 March 2013, account for as deferred liabilities, are as follows:

During the year, finance charges of £3,724 (2012: £3,724) were incurred in respect of finance leases.

# Ramsey Town Commissioners

## Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2013)

### 16. Finance Lease (continued)

	Vehicles, plant and equipment £
Obligations payable in 2013/14	29,096
Obligations payable between 2014/15 and 2015/16	29,096
Total obligations payable	<u>58,192</u>

### 17. Members' allowances

During 2012/13 the Authority paid £2,486 (2011/12:£3,767) 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	2012/13 Number of Employees Leavers in year	Total	2011/12 Number of Employees Leavers in year
£50,000 - £74,999	2	-	1	-

### 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. During the year 2012/13 the following amounts were transacted with related parties:

A total of £Nil (2012: £41,809) was paid to a company in respect of a commercial contract, of which Mr K B Mayne, a commissioner, is a director. At the year end an amount of £Nil (2012: £Nil) was outstanding.

# Ramsey Town Commissioners

## Notes to the financial statements (continued)

*(forming part of the financial statements for the year ended 31 March 2013)*

### 19. Related party transactions (continued)

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

Ramsey and Northern Districts Housing Committee are related by virtue of common influence and by virtue of the provision of management support. During the year Ramsey and Northern Districts Housing Committee were charged £59,890 (2012: £59,380) in respect of administration charges and clerk's salary. At the year end there is a balance due to Ramsey Town Commissioners of £Nil (2012: £59,380).

### 20. Audit fees

During 2012/13 the Authority incurred the following fees relating to external audit and inspection:

	2012/13 £	2011/12 £
Fees payable with regard to external audit services carried out by the appointed auditor	10,253	10,000
Fees payable with regard to non-audit services carried out by the appointed auditor in respect of year ended 31 March 2011	3,500	-

### 21. Total rateable value

The total rateable value at the year end was £683,804 (2012: 678,579) and rates were levied at 342p in the £ (2012:£332p).

### 22. Statement of the Movement on the General Fund Balance

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

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

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

### 23. HRA capital expenditure

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

	2012/13 £	2011/12 £
Borrowing	1,979,079	3,364,898



# Ramsey Town Commissioners

## Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2013)

### 24. Gross rent income

Gross rent income is the total rent due for the year after voids, write-offs, refunds etc. Voids of £18,416 represent 0.9% of the rental debit for the year, compared to 2.1% in 2011/12.

### 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:

	2012/13 £	2011/12 £
Deficiency receivable	<u>1,411,512</u>	<u>1,404,558</u>

### 26. Rent arrears

	2012/13 £	2011/12 £
Rent arrears	<u>24,179</u>	<u>16,070</u>
Rent arrears as a percentage of gross rent income	<u>1.2%</u>	<u>0.9%</u>

Arrears written off during the year amounted to £0 (£0 in 2011/12).

### 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 Pension Scheme administered by Douglas Borough Council in accordance with the Isle of Man Local Government Superannuation Scheme Regulations 2012. 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 2013 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 2013 % per annum	31 March 2012 % per annum
Rate of increase in pensions	2.8%	2.5%
Rate of increase in salaries	5.1%	4.8%
Rate of expected return on assets	5.0%	5.3%
Rate for discounting scheme liabilities	4.5%	4.8%

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 Pension Scheme Accounts.

# Ramsey Town Commissioners

## Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2013)

### 27. Pensions (continued)

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

	31 March 2013 £	31 March 2012 £
Estimated employer assets	5,235,000	4,607,000
Present value of scheme liabilities	(7,257,000)	(6,307,000)
Net pensions liability	<u>(2,022,000)</u>	<u>(1,700,000)</u>

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

	2012/13 £	2011/12 £
<b>Net operating expenditure</b>		
Expected return on employer assets	(245,000)	(302,000)
Interest on pension scheme liabilities	304,000	338,000
	<u>59,000</u>	<u>36,000</u>

The net deficit on the scheme has increased from £1,700,000 to £2,022,000. An analysis of the movement during the year is shown below:

	2012/13 £	2011/12 £
<b>Net pension liability at the beginning of the year</b>	1,700,000	1,616,000
Current service cost	235,000	211,000
Employer contributions	(234,000)	(225,000)
Interest cost	304,000	338,000
Expected net return on employer assets	(245,000)	(302,000)
Actuarial losses	262,000	28,000
Loss on curtailment	-	34,000
<b>Net pension liability at the end of the year</b>	<u>2,022,000</u>	<u>1,700,000</u>

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

	2012/13 £	2011/12 £
Equities	3,717,000	2,948,000
Bonds	1,047,000	1,152,000
Property	419,000	415,000
Cash	52,000	92,000
<b>Fair value of employer assets</b>	<u>5,235,000</u>	<u>4,607,000</u>

# Ramsey Town Commissioners

## Notes to the financial statements (continued)

(forming part of the financial statements for the year ended 31 March 2013)

### 27. Pensions (continued)

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

	31 March 2013 £	31 March 2012 £
<b>Breakdown of the expected return on assets by category</b>		
Equities	5.7%	6.2%
Bonds	2.9%	3.3%
Property	3.9%	4.4%
Cash	3.0%	3.5%

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:

	2012/13 £	Actuarial gain/loss as % of assets/ liabilities	2011/12 £	Actuarial gain/loss as % of assets/ liabilities
Value of assets at end of year	5,235,000		4,607,000	
Total present value of liabilities	(7,257,000)		(6,307,000)	
Difference between the actual and expected return on assets	345,000	6.6%	239,000	5.2%
Actuarial losses recognised in the statement	(262,000)	3.6%	(28,000)	0.4%

The above figures have been provided by the actuaries to the Isle of Man Government Pension 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 2013 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. Prior year figures

The presentation of the impairment charges in respect of assets has been amended within both the General Revenue Account and Housing Revenue Account. There is no overall effect on the results or assets for the year.

# Ramsey Town Commissioners

## Detailed Income and Expenditure Account for the year ended 31 March 2013

		2013		2012
	£	£	£	£
<b>Office administration and general expenses</b>				
Rate collection costs	22,660		21,296	
Audit fees	10,253		10,988	
Internal audit fees	7,425		8,447	
Accountancy	15,414		13,729	
Legal expenses	2,395		8,385	
Election expenses	5,489		3,470	
Insurance	13,950		12,792	
Heat and light	27,846		23,485	
Printing, stationery, telephone and rent	51,968		45,677	
Caretaker's wages	19,961		20,451	
Salaries	491,095		503,577	
Pensions	124,052		121,862	
Staff training	4,269		2,839	
Fuel for vans	1,049		918	
Car travel allowances	347		466	
Depreciation	39,354		44,300	
Amortisation	6,281		12,562	
Doubtful debts	18,814		18,553	
		<b>862,622</b>		<b>873,797</b>
Fixed penalties	310		170	
Administration fee from Ramsey and Northern District Housing Committee	49,909		51,428	
		<b>(50,219)</b>		<b>(51,598)</b>
		<b>812,403</b>		<b>822,199</b>
<b>Miscellaneous</b>				
Advertising	4,614		6,054	
Members' expenses	2,486		3,767	
Chairman's expenses	391		2,076	
Town band	1,000		1,000	
Municipal Sunday	880		904	
War memorial	998		1,907	
Incidental	3,153		5,495	
Town warden	16,668		15,444	
Bank charges	12,474		9,568	
Ramsey regeneration	5,939		-	
Amenity byelaw regulations	540		378	
Sundry	-		1,075	
		<b>49,143</b>		<b>47,668</b>
Incidental	1,895		4,106	
Search fees	9,120		12,635	
Profit on disposal of fixed assets	4,623		-	
		<b>(15,638)</b>		<b>(16,741)</b>
		<b>33,505</b>		<b>30,927</b>

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 2013

		2013		2012
	£	£	£	£
<b>Housing &amp; Property</b>				
<b>Housing</b>				
Oil and electricity	102,822		89,549	
Restroom refurbishment	405		308	
Garage repairs	773		788	
	<u>          </u>	104,000	<u>          </u>	90,645
Heating charges	100,985		80,877	
Drying tokens	766		732	
Restroom hire	869		465	
Garage rents	2,704		3,737	
	<u>          </u>	(105,324)	<u>          </u>	(85,811)
		(1,324)		4,834
<b>Workshops</b>				
Maintenance and insurance		43,612		39,839
<b>Town Hall</b>				
Maintenance and insurance	59,279		81,807	
Income	(26,420)		(10,723)	
	<u>          </u>	32,859	<u>          </u>	71,084
<b>Public Conveniences</b>				
Contract cleaners	19,299		38,048	
Maintenance and insurance	17,264		26,789	
Cleaning materials	2,183		3,219	
	<u>          </u>	38,746	<u>          </u>	68,056
<b>Housing Revenue Account</b>				
Surfeit Transferred	19,554		10,324	
Administration charge	135,591		135,591	
	<u>          </u>	(155,145)	<u>          </u>	(145,915)
		<u>(41,252)</u>		<u>37,898</u>

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# Ramsey Town Commissioners

## Detailed Income and Expenditure Account (continued)

for the year ended 31 March 2013

	£	2013 £	£	2012 £
<b>Works and Development</b>				
<b>Amenities and services</b>				
Foreshore, flags and deckchairs		1,330		2,702
<b>Car Parks</b>				
Operational costs	8,996		20,296	
Car parking spaces income	(12,881)		(13,595)	
		(3,885)		6,701
<b>Refuse</b>				
Wages	178,610		179,312	
Operational costs	336,118		325,458	
Leasing costs	2,650		2,650	
Depreciation	20,783		20,783	
	538,161		528,203	
Collection charges	(94,676)		(89,382)	
Sale of commercial refuse bins	-		(88)	
	(94,676)		(89,470)	
		443,485		438,733
<b>Sewers and Pumps</b>				
Wages	97,470		77,016	
Operational costs	55,712		20,908	
Depreciation	721		721	
	153,903		98,645	
Government refund re sewer connections	(253,384)		(198,925)	
Administration fee	(62,148)		(58,384)	
	(315,532)		(257,309)	
		(161,629)		(158,664)
Carried forward		279,301		289,472

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# Ramsey Town Commissioners

## Detailed Income and Expenditure Account (continued) for the year ended 31 March 2013

	2013	2012
	£	£
<b>Works and Development</b>		
Brought forward	279,301	289,472
<b>Miscellaneous</b>		
Seats, promenade shelters, street nameplates and town clocks maintenance	16,482	15,608
Street and decorative lighting maintenance	61,048	67,123
CCTV town area	2,824	2,076
Grass cutting and tree limbing	6,591	8,360
Property repairs private sector	2,386	37,415
Depreciation	23,029	18,837
	<u>112,360</u>	<u>149,419</u>
Government grants re grass cutting and tree limbing	(7,278)	(9,197)
	<u>(7,278)</u>	<u>(9,197)</u>
	105,082	140,222
	<u>384,383</u>	<u>429,694</u>
<b>Parks and Leisure</b>		
<b>Advertising and entertainment</b>		
Publicity	2,029	726
Seasonal entertaining and attractions	27,480	26,471
Ramsey in Bloom	13,795	17,778
	<u>43,304</u>	<u>44,975</u>
Income	(5,340)	(4,482)
Camper van permit income	(516)	(2,040)
	<u>(5,856)</u>	<u>(6,522)</u>
	37,448	38,453
<b>Amenities and Services</b>		
Mooragh Park amusements maintenance	17,634	11,295
<b>Mooragh Park Gardens and Land</b>		
Wages	181,256	185,843
Maintenance	56,865	77,307
Skate park	2,214	1,496
Depreciation	34,941	37,109
	<u>275,276</u>	<u>301,755</u>
Income	(102)	(102)
	<u>275,174</u>	<u>301,653</u>
Carried forward	330,256	351,401

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# Ramsey Town Commissioners

## Detailed Income and Expenditure Account (continued)

for the year ended 31 March 2013

	£	2013 £	£	2012 £
<b>Parks and Leisure</b>				
Brought forward		330,256		351,401
<b>Trading Concessions</b>				
Rates, insurance and licences	5,512		5,576	
Courts and greens maintenance	12,926		15,750	
	<u>18,438</u>		<u>21,326</u>	
Rents and rates	(29,518)		(61,350)	
	<u>(29,518)</u>	(11,080)	<u>(61,350)</u>	(40,024)
<b>Swimming Pool</b>				
Wages for grass cutting	307		1,191	
Rate contribution	16,018		15,109	
	<u>16,018</u>	16,325	<u>15,109</u>	16,300
<b>Maintenance of Properties</b>		16,652		15,985
<b>Ramsey and Northern District Housing authority</b>				
Wages etc.	13,818		7,230	
Income	(14,529)		(7,953)	
	<u>(14,529)</u>	(711)	<u>(7,953)</u>	(723)
<b>Library</b>				
Salaries	80,298		79,325	
Repairs and maintenance	23,951		21,946	
Depreciation	34,958		34,261	
	<u>139,207</u>		<u>135,532</u>	
Library fee income	(11,123)		(11,425)	
	<u>(11,123)</u>	128,084	<u>(11,425)</u>	124,107
		<u>479,526</u>		<u>467,046</u>