

Ramsey Town Commissioners

Financial statements

For the year ended 31 March 2009

Ramsey Town Commissioners

<i>Contents</i>	<i>Page</i>
Explanatory Foreword	1 – 3
Statement of Accounting Policies	4 – 8
Statement of Responsibilities for the Statement of Accounts	9
Statement of Internal Control	10 – 11
Statement on the System of Internal Financial Control	12
Report of the Independent Auditors	13 – 14
Income and Expenditure Account	15
Statement of the Movement on the General Fund Balance	16
Housing Revenue Income and Expenditure Account	17
Statement of Movement on the Housing Revenue Account Balance	18
Statement of Total Recognised Gains and Losses	19
Balance Sheet	20 – 21
Cash Flow Statement	22 – 23
Notes to the Cash Flow Statement	24 – 25
General Rate Fund	26
Notes to the financial statements	27 – 38
Detailed Income and Expenditure Account	39 – 44

Ramsey Town Commissioners

Explanatory Foreword

Introduction

This Statement provides a summary of the Authority's financial performance for the year ended 31 March 2009. 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 general government grants and income from local ratepayers.

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, Central Government subsidy and other income.

The **Statement of 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.

Ramsey Town Commissioners

Explanatory Foreword (continued)

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
- Government grants

The income and expenditure account for the year shows a surplus of £496,082 (2008: £283,889), however once the other movements on the general fund have been taken into account, as detailed below, the results show an overall surplus of £169,319 (2008: £138,114), compared to a budgeted deficit of £79,045 (2008: surplus of £309,990).

This is due to some general under spends during the year and the planned expenditure on the Town Hall not going ahead during the year.

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 relate to the general fund.

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

Housing Revenue Account

The Housing Revenue Account shows the income and expenditure on Authority housing. The financial year 2008/09 resulted in an overspend of £35,411 (2008: underspend of £3,546) on the estimate.

The overspend relates largely to additional repairs and maintenance costs

Capital Expenditure

Total capital expenditure in the year was £5,035,969 (2008 £6,201,004).

General Rate Fund

The general rate income due and collected by the Authority is shown in the General Rate Fund. Rates were levied at 324p in the £ on a rateable value of £669,413 during the year (2008: 312p on a rateable value of £651,573). Rates arrears were £134,952 and amounts recovered were £28,313. Arrears reflect 6.3% of total rates levied (2008 £4.8%).

Ramsey Town Commissioners

Explanatory Foreword (continued)

Investments and Borrowing

The Authority borrowed £7,500,000 (2008: £6,382,304) during the year to finance capital expenditure.

Reserves

The Authority has been able to increase its general reserves from £929,106 at 31 March 2008 to £1,098,425 at 31 March 2009.

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 land and buildings assets as at 31 March 2009, 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. This SORP is recognised under the Audit Act 2006 and the Accounts and Audit Regulations 2007 as representing proper accounting practices.

Key accounting policies 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.

Valuations – Operational Assets

Asset valuations have been carried out using the guide to costs for House Rebuilding Costs for Insurance Valuation produced by the Royal Institution of Chartered Surveyors each year less 20%. This figure is modified by that percentage advised by the Commissioners' insurance brokers being the renewal valuation for commercial and domestic properties for the year. This is contrary to SORP 3.102 which requires operational assets to be reported at the lower of net current replacement cost or net realisable value in existing use, and SORP 3.101 which requires a full valuation of a property to be conducted by either a qualified external valuer or a qualified internal valuer. Other land and buildings have been revalued in the year also. Infrastructure assets are included in the balance sheet at historical cost.

Community assets have been included in the accounts at replacement cost. This is contrary to SORP 3.96 which requires community assets to be included at depreciated historical cost.

In the case of vehicles, 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.

Valuations – Non-operational Assets

Assets in the course of construction are reported at cost.

Investment properties are reported at the lower of net current replacement cost or net realisable value.

Ramsey Town Commissioners

Statement of Accounting Policies (continued)

Depreciation – Operational assets

Depreciation is provided on vehicles, plant and equipment and infrastructure assets. Assets are depreciated by applying the straight line method to Balance Sheet values over periods reflecting their estimated useful lives. Depreciation is provided on 'Dwellings' and 'Other Operational Buildings' at a rate of 2% per annum. No depreciation is provided for the year ended 31 March 2010 and these assets are included at valuation at that date. Assets acquired under finance leases are depreciated over the lease period if this is shorter than their estimated useful life. No depreciation is provided for freehold land.

Contradicting the above policy, appropriate assets have not been depreciated in accordance with section 3.112 of the SORP.

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. Impairment reviews are carried out on all assets, other than non-depreciable land, where no depreciation charge is made or the estimated remaining useful life of the asset exceeds 50 years.

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.

Government grants

Government grants are accounted for on an accruals basis and income has been credited, in the case of revenue grants, to the appropriate revenue account to match the expenditure to which they relate or, in the case of capital grants, to a government grants deferred account. Amounts are released from the government grants deferred account to offset any amortisation charges charged to the revenue account in respect of intangible fixed assets to which the grants relate. Grants and contributions from other organisations have been treated in the same way as Government grants.

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 Local Government and the Environment.

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 customers 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.
- Certain of the comparatives have been restated to be consistent with the current year treatment.

Value added tax

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

Overheads

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

Ramsey Town Commissioners

Statement of Accounting Policies (continued)

Pension costs

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

With effect from the year ended 31 March 2008, the pension cost has been assessed by the Fund's actuary based on triennial valuations, the 2008/09 contributions being based on the results of the review as at 31 March 2007. 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.

Previously the income and expenditure account reflected the pension payments, and no assets or liability on the scheme were recognised.

The effect of the change of accounting policy is to create a pension liability and matching pension reserve in this years' accounts.

No detailed information for the comparative year is available.

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 Reserve: 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.

Revenue Funds for Capital Purposes: funds provided from revenue and earmarked for capital expenditure purposes.

Usable Capital Receipts: These are amounts of capital receipts received to be used to finance future capital expenditure.

Housing Revenue account: Surplus funds from the Housing Revenue account.

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.

Pensions Reserve: Amount set aside to cover the liability in respect of the Commissioners' share of the Isle of Man Local Authority Pension Scheme.

Ramsey Town Commissioners

Statement of Accounting Policies (continued)

Provisions

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

Events after the balance sheet date

Post balance sheet events, whether favourable or unfavorable, 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 2008 on accounting for entities subject to the Audit Act 2006 ("the SORP").

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

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the SORP.

The Responsible Financial Officer has also:

- kept proper accounting records which were up to date; and
- taken 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 2009.

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 in a year of the effectiveness of its system 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.

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 Responsible Financial Officer 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 Responsible Financial Officer 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 external and 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 period ended 31 March 2009.

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

- Review of the standing orders.
- Establishment of a risk management framework.
- More detailed financial information to the board.

(Signed) W. H. Malpass

(Chairman)

(Dated) 15th December 2010

Ramsey Town Commissioners

Statement on the System of Internal Financial Control

This statement is given in respect of the statement of accounts for Ramsey Town Commissioners. We acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.

The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Authority. In particular, the system includes:

- comprehensive budgeting systems;
- regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts;
- setting targets to measure financial and other performance;
- the preparation of regular financial reports which indicate actual expenditure against the forecasts;
- clearly defined capital expenditure guidelines, and
- as appropriate, formal project management disciplines.

The Commissioners' internal audit function is provided by an external supplier. The scope of the internal audit was limited to a number of specific areas as agreed by the Board and the processes and procedures connected with those areas.

The internal auditors report their finding to the Commissioners by way of a report, detailing any their findings from their work and any resulting recommendations. The internal auditors reports in their own name and retain final edit rights over all audit reports, and provide an annual Internal Financial Control statement.

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

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

The Commissioners are addressing the issues highlighted in the Internal Audit report in order to improve the controls in these areas.

(Signed) W. H. Malpas

(Chairman)

(Signed) Bob Burt

(RFO)

(Dated) 15th December 2010

Independent Auditors' Report to the Ramsey Town Commissioners ("the Commissioners")

We have audited the financial statements of the Ramsey Town Commissioners for the year ended 31 March 2009 set out on pages 1 to 43. These financial statements have been prepared under the historical cost convention and in accordance with the accounting policies set out on pages 4 to 8.

This report is made solely to the 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 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 Commissioners, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Commissioners and auditors

The Commissioners are responsible for preparing the financial statements in accordance with applicable Isle of Man law as set out in the Statement of Commissioners' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom & Ireland).

We report to you our opinion as to whether the financial statements are prepared in accordance with the Accounts and Audit Regulations 2007, made under the Audit Act 2006. In addition we report to you if, in our opinion, the Commissioners have not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom & Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Commissioners in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Commissioners' circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Disagreement on Accounting Policies – Application of relevant legislation – Qualified Opinion

As disclosed in note 4 of the accounting policies, under the approval of the Department of Local Government and the Environment, the financial statements have not been fully prepared in accordance the Accounts and Audit Regulations 2007 as made under the Audit Act 2006. The matters of non-compliance cover both the core statements and the supporting notes, as required by the Accounts and Audit Regulations 2007 and the Statement of Recommended Practice 2007: Accounting for entities subject to the Audit Act 2006 ("the SORP").

The matter of non-compliance regarding the Statement of Recommended Practice 2007: Accounting for entities subject to the Audit Act 2006 ("the SORP") is:

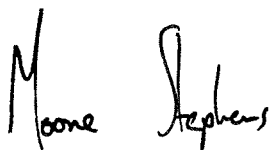
- Section 3.96 – community assets have been included in the accounts at replacement cost rather than depreciated historical cost;
- Section 3.101 – the revaluation was not performed by an appropriately qualified individual;
- Section 3.102 – the operational assets have been valued on a non-compliant replacement cost basis;
- Section 3.112 – appropriate assets have not been depreciated

The matter of non-compliance regarding the Statement of Recommended Practice 2007: Accounting for entities subject to the Audit Act 2006 ("the SORP") in relation to the comparatives are:

- Section 3.52 – the comparatives for pensions have not been disclosed in the financial statements;
- Section 3.95 – the comparatives for assets have not been revalued in line with sections 3.96 and 3.97 of the SORP;

- Section 3.96 – community assets have been included in the accounts at replacement cost rather than depreciated historical cost;
- Section 3.101 – the revaluation was not performed by an appropriately qualified individual;
- Section 3.102 – the operational assets have been valued on a non-compliant replacement cost basis;
- Section 3.112 – appropriate assets have not been depreciated; and
- Section 4.31(21)(ii) – no useful life has been disclosed for infrastructure assets.

In our opinion, except for the effect on the financial statements of the matters referred to in the preceding paragraph, the financial statements present fairly, in all material aspects, the state of the Commissioners' affairs as at 31 March 2009 and for the year then ended.

A handwritten signature in black ink, appearing to read 'Moore Stephens', is positioned above the printed name of the firm.

MOORE STEPHENS
Chartered Accountants
Douglas
Isle of Man

21 December 2010

Ramsey Town Commissioners

Income and Expenditure Account

for the year ended 31 March 2009

Statement of net expenditure	Gross expenditure £	Income £	2008/09 Net expenditure £	2007/08 Net expenditure £
Continuing operations:				
Administration and Office Expenses	(743,923)	39,856	(704,067)	(749,720)
Miscellaneous expenditure	(26,770)	18,497	(8,273)	(6,348)
Housing and Property	(233,591)	210,582	(23,009)	(31,600)
Works and Development	(789,270)	403,426	(385,844)	(370,791)
Parks and Leisure	(509,484)	50,529	(458,955)	(448,995)
Net cost of General Fund services	(2,303,038)	722,890	(1,580,148)	(1,607,454)
Housing Income and Expenditure Account	(913,408)	2,301,955	1,388,547	982,036
Net cost of services	(3,216,446)	3,024,845	(191,601)	(625,418)
Interest payable and similar charges			(1,317,790)	(1,047,713)
Interest and investment income			21,264	50,009
Pension interest cost & expected return on pension assets			(56,000)	—
Net operating expenditure			(1,544,127)	(1,623,122)
Sources of finance				
Income from the General Rate Fund			2,040,209	1,907,011
			2,040,209	1,907,011
Net surplus for the year			496,082	283,889

The notes on pages 27 to 38 form part of these financial statements.

Ramsey Town Commissioners

Statement of the Movement on the General Fund Balance

for the year ended 31 March 2009

	2008/09 £	2007/08 £
Surplus for the year on the income and expenditure account	496,082	283,889
<i>Amounts included in the income and expenditure account but to be excluded when determining the Movement on the General Fund Balance</i>		
Depreciation and impairment of fixed assets	194,178	237,228
Net charges made for retirement benefits	(5,000)	—
Capital expenditure met by General Fund	(90,420)	(89,569)
<i>Amounts not included in the Income and Expenditure account but to be included when determining the Movement on the General Fund Balance for the year</i>		
Loans funds principal repayments	(88,275)	(78,671)
Capital payments on finance lease	(31,204)	(57,872)
<i>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</i>		
Transfer to Heating Reserve	(7,977)	(7,043)
Transfer to Housing Revenue Account	(294,794)	(157,615)
Transfer to Housing Reserve	(581)	(540)
Transfer to Capital Account	1,131	(808)
Transfer to Capital Adjustment Account	(2,488)	—
Transfer to Usable Capital Receipts Reserve	(1,333)	9,115
	169,319	138,114
General Fund Balance brought forward	929,106	790,992
General Fund Balance carried forward	<u>1,098,425</u>	<u>929,106</u>

The notes on pages 27 to 38 form part of these financial statements.

Ramsey Town Commissioners

Housing Revenue Income and Expenditure Account

for the year ended 31 March 2009

	2008/09 £	2008/09 £	2007/08 £
Income			
Dwelling rents	1,310,488		1,350,682
Contributions towards expenditure including Housing Deficiency Payments	667,742		203,963
Any other income	<u>323,725</u>		<u>277,422</u>
Total income		2,301,955	1,832,067
Expenditure			
Repairs and maintenance	(486,814)		(466,777)
Supervision and management	(102,869)		(105,833)
Rents, rates, taxes and other charges	<u>(323,725)</u>		<u>(277,421)</u>
		(913,408)	(850,031)
Net cost of HRA services as included in the whole authority Income and Expenditure Account		1,388,547	982,036
HRA share of other amounts included in the whole authority Net Cost of Services but not allocated to specific services		—	—
Net cost of HRA services		1,388,547	982,036
HRA share of the operating income and expenditure included in the whole authority income and expenditure account		—	—
Interest payable and similar charges		(1,093,753)	(824,421)
Surplus for the year on HRA services		<u>294,794</u>	<u>157,615</u>

The notes on pages 27 to 38 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 2009

	2008/09 £	2007/08 £
Surplus/deficit for the year on the HRA income and expenditure account	294,794	157,615
Net additional amount required by statute and non-statutory proper practices to be debited or credited to the Housing Revenue Account Balance for the year		
Loan funds principal repayments	(324,439)	(154,069)
Transfer from/(to) Housing Revenue Reserve	35,411	(3,546)
Depreciation and impairment of fixed assets	961	—
Capital expenditure met by General Fund	(6,727)	—
	<hr/>	<hr/>
	—	—
Housing Revenue Account Balance brought forward	<hr/>	<hr/>
Housing Revenue Account Balance carried forward	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 27 to 38 form part of these financial statements.

Ramsey Town Commissioners

Statement of Total Recognised Gains and Losses

for the year ended 31 March 2009

	2008/09 £	2007/08 £
Surplus on the income and expenditure account for the year	496,082	283,889
Surplus arising on revaluation of fixed assets	1,282,819	—
Actuarial gains and losses on pension fund assets and liabilities	(412,000)	—
Prior years losses on pension fund assets and liabilities	(831,000)	—
Total recognised gains and losses for the year	<u>535,901</u>	<u>283,889</u>

Ramsey Town Commissioners

Balance Sheet

as at 31 March 2009

	Notes	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Tangible fixed assets					—
Operational assets					
– Dwellings	1	53,792,598		51,078,645	
– Other land and buildings	1	5,129,226		4,896,777	
– Vehicles, plant, furniture and equipment	1	348,744		419,508	
– Infrastructure assets	1	70,930		98,158	
– Community assets	1	278,712		265,660	
			59,620,210		56,758,748
Non-operational assets					
– Assets under construction	1	3,205,179		—	
– Investment properties	1	1,197,166		1,140,158	
			4,402,345		1,140,158
			64,022,555		57,898,906
Current assets					
Debtors	9	352,449		624,869	
Cash at bank	10	1,353,264		1,503,639	
		1,705,713		2,128,508	
Current liabilities					
Short-term borrowing		773,557		1,002,228	
Creditors	11	158,104		76,060	
Bank overdraft	10	3,453,224		5,983,800	
		4,384,885		7,062,088	
			(2,679,172)		(4,933,580)
			61,343,383		52,965,326
Long-term liabilities					
Long-term borrowing	15	22,784,861		16,180,705	
Pension liabilities	28	1,238,000		—	
			24,022,861		16,180,705
Total assets less liabilities			37,320,522		36,784,621

Ramsey Town Commissioners

Balance Sheet (continued)

as at 31 March 2009

	Notes	2009	2009 £	2008	2008 £
Financed by:					
Revaluation reserve	13		29,245,492		27,962,673
Capital adjustment account	13		7,754,448		6,724,835
Usable capital receipts reserve	13		30,884		29,551
Pension reserve	13		(1,238,000)		—
Capital account	13		317,026		989,534
Earmarked reserves	13		43,167		35,190
General fund	13		1,098,425		929,106
Housing revenue account	13		69,080		113,732
			<u>37,320,522</u>		<u>36,784,621</u>

The financial statements were approved by the Authority on their behalf by:

and were signed on

Chairman



RFO



Ramsey Town Commissioners

Cash Flow Statement

for the year ended 31 March 2009

Revenue activities	Notes	2008/09 £	2008/09 £	2007/08 £
Cash outflows				
Cash paid to and on behalf of employees		(1,205,641)		(1,100,339)
Other operating cash payments		(1,358,924)		(1,696,835)
			(2,564,565)	(2,797,174)
Cash inflows				
Rents (after rebates)		1,343,476		1,659,076
Rate receipts		2,032,961		1,879,982
Revenue support grant		839,130		(86,022)
Other government grants		286,496		281,830
Cash received for goods and services		441,775		210,011
			4,943,838	3,944,877
Net cash inflow from revenue activities	1		2,379,273	1,147,703
Returns on Investments and servicing of finance				
Cash outflows				
Interest paid		(1,328,648)		(1,047,711)
			(1,328,648)	(1,047,711)
Cash inflows				
Interest received		21,264		50,009
			21,264	50,009
Net servicing of finance			(1,307,384)	(997,702)
Capital activities				
Cash outflows				
Purchase of fixed assets		(5,035,969)		(6,201,004)
			(5,035,969)	(6,201,004)
Cash inflows				
Sale of fixed assets		—		—
			—	—
Net Capital activities			(5,035,969)	(6,201,004)
Net cash outflow before financing			(3,964,080)	(6,051,003)

Ramsey Town Commissioners

Cash Flow Statement (continued)

for the year ended 31 March 2009

	Notes	2008/09 £	2008/09 £	2007/08 £
Financing				
Cash outflows				
Repayments of amounts borrowed		(412,715)		(232,740)
Capital element of finance lease rental payments		(31,204)		(57,828)
Repayment of bonds		(711,800)		(600,200)
			(1,155,719)	(890,768)
Cash inflows				
New loans raised		7,500,000		6,382,304
New short term loans		—		—
			7,500,000	6,382,304
			6,344,281	5,491,536
Net increase/decrease in cash			2,380,201	(559,467)

Ramsey Town Commissioners

Notes to the Cash Flow Statement

for the year ended 31 March 2009

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

	2008/09 £	2007/08 £
Net surplus/deficit	496,082	283,889
Depreciation	195,139	237,228
Appropriations to pension reserve	(5,000)	—
Interest paid	1,328,648	1,047,711
Interest received	(21,264)	(50,009)
(Increase)/decrease in debtors	272,420	(162,874)
(Increase)/decrease in stock	—	2,931
Increase/(decrease) in creditors	113,248	(211,173)
	<u>2,379,273</u>	<u>1,147,703</u>
Net cash inflow/outflow from revenue activities	<u>2,379,273</u>	<u>1,147,703</u>

2. Reconciliation of the movement in net debt

	2008/09 £	2008/09 £	2007/08 £
Net debt at 1 April		(21,694,298)	(15,643,295)
Movement in net debt:			
Increase/(decrease) in cash in the period	2,380,201		(559,467)
Inflow/(outflow) from increase/(decrease) in debt financing	(6,344,281)		(5,491,536)
		<u>(3,964,080)</u>	<u>(6,051,003)</u>
Net debt at 31 March		<u>(25,658,378)</u>	<u>(21,694,298)</u>

Ramsey Town Commissioners

Notes to the Cash Flow Statement (continued)

for the year ended 31 March 2009

3. Reconciliation of financing and management of liquid resources

	Balance at 1 April 2008 £	Cash movement £	Balance at 31 March 2009 £
Cash in hand	1,503,639	(150,375)	1,353,264
Cash overdrawn	(5,983,800)	2,530,576	(3,453,224)
		<u>2,380,201</u>	
Net debt:			
Due within one year	(1,002,228)	228,671	(773,557)
Due after one year	(16,180,705)	(6,604,156)	(22,784,861)
Finance Lease	(31,204)	31,204	—
	<u>(21,694,298)</u>	<u>(3,964,080)</u>	<u>(25,658,378)</u>
Total net debt			

Further notes

4. Government Grants

The revenue support grants detailed above relate to Housing Deficiency received from the Department of Local Government and the Environment. In the year ended 31 March 2008 this included the repayment of an overpayment in the previous year.

The other government grants relate to funds received Government to cover work on Sewers and Grass cutting and tree limbing.

Ramsey Town Commissioners

General Rate Fund

as at 31 March 2009

	2009	2009 £	2008	2008 £
Total rates levied for the year		2,147,825		2,007,241
<i>Add:</i>				
Due from Treasury re prior year	65,200		39,884	
Arrears brought forward	<u>96,076</u>		<u>94,363</u>	
		161,276		134,247
<i>Less:</i>				
Discounts	(76,615)		(73,410)	
Exempt and unoccupied properties	(27,898)		(19,578)	
Refunds	<u>(3,103)</u>		<u>(9,196)</u>	
		(107,616)		(102,184)
Total rates collectable		<u><u>2,201,485</u></u>		<u><u>2,039,304</u></u>
 Rates received in the year:				
Current year rates	1,939,449		1,807,560	
Arrears collected	28,313		30,584	
Balance from Treasury re previous year	<u>65,200</u>		<u>39,884</u>	
Total rates received in the year		2,032,962		1,878,028
 Balances outstanding carried forward				
Due from Treasury re current year	33,571		65,200	
Arrears – current year	69,323		41,493	
– previous years	<u>65,629</u>		<u>54,583</u>	
		168,523		161,276
		<u><u>2,201,485</u></u>		<u><u>2,039,304</u></u>

Ramsey Town Commissioners

Notes

(forming part of the financial statements for the year ended 31 March 2009)

1 Tangible fixed assets

Operational assets	Dwellings £	Other land and buildings £	Vehicles, plant and equipment £	Infrastructure assets £	Community assets £	Total £
Gross valuation						
At 31 March 2008	51,078,645	4,896,777	1,494,500	294,112	265,660	58,029,694
Additions in the year	1,733,643	—	86,097	11,050	—	1,830,790
Disposals in the year	—	—	—	—	—	—
Revaluations	980,310	232,449	—	—	13,052	1,225,811
At 31 March 2009	53,792,598	5,129,226	1,580,597	305,162	278,712	61,086,295
Depreciation						
At 31 March 2008	—	—	1,074,992	195,954	—	1,270,946
Charge for the year	—	—	156,861	38,278	—	195,139
Disposals in the year	—	—	—	—	—	—
At 31 March 2009	—	—	1,231,853	234,232	—	1,466,085
Net book value						
At 31 March 2009	53,792,598	5,129,226	348,744	70,930	278,712	59,620,210
At 31 March 2008	51,078,645	4,896,777	419,508	98,158	265,660	56,758,748

Ramsey Town Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2009)

1 Tangible fixed assets (continued)

Non-operational assets	Assets under Construction £	Investment Properties £	Total £
Gross valuation			
At 31 March 2008	—	1,140,158	1,140,158
Additions in the year	3,205,179	—	3,205,179
Disposals in the year	—	—	—
Revaluations	—	57,008	57,008
At 31 March 2009	3,205,179	1,197,166	4,402,345
Depreciation			
At 31 March 2008	—	—	—
Charge for the year	—	—	—
Disposals in the year	—	—	—
At 31 March 2009	—	—	—
Net book value			
At 31 March 2009	3,205,179	1,197,166	4,402,345
At 31 March 2008	—	1,140,158	1,140,158

2 Valuation of fixed assets

The Authority plans to revalue its fixed assets every five years. Valuations have been carried out by Property manager of Ramsey Town Commissioners, the Authority's valuer. The basis for valuation is set out in the statement of accounting policies. Assets have been valued as follows:

Operational assets	Dwellings £	Other land and buildings £	Vehicles, plant and equipment £	Infrastructure £	Community assets £	Total £
Valued at historical cost	—	247,810	348,744	70,930	—	667,484
Valued at current value in use 2008/09	53,792,598	4,881,416	—	—	278,712	58,952,726
	53,792,598	5,129,226	348,744	70,930	278,712	59,620,210

Ramsey Town Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2009)

2 Valuation of fixed assets (continued)

Non-operational assets	Assets under Construction £	Investment Properties £	Total £
Valued at historical cost	3,205,179	—	3,205,179
Valued at current value in use 2008/09	—	1,197,166	1,197,166
	3,205,179	1,197,166	4,402,345

The Authority has reviewed the values of assets in these categories of assets during 2008/09: a number of assets were revalued as at 31 March 2009 and there were no material changes in the value of the remainder arising from impairment or other causes.

3 Depreciation methodologies

Depreciation is provided on all assets with a finite useful life, other than land and buildings. 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

The use of these depreciation methodologies means that the Authority is not required to carry out a detailed impairment review.

4 Assets held

Operational assets	Number at 31 March 2008	Changes 2008/09	Number at 31 March 2009
Dwellings			
Standard dwellings	511	—	511
Other Land and Buildings			
Car parks	4	—	4
Depots	2	—	2
Public Conveniences	3	—	3
Public Offices	1	—	1
Recreational properties	3	—	3
Miscellaneous properties	4	—	4
Vehicles, Plant and Equipment			
Vehicles	15	—	15
Infrastructure Assets			
Community Assets			
Parks and open spaces	2	—	2
Non-Operational assets			
Commercial properties	5	—	5

Ramsey Town Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2009)

5 Housing fixed assets

The dwellings consist of the authority's housing stock.

6 Housing stock

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

	2008/09 £	2007/08 £
Houses and bungalows	37,746,454	35,796,605
Flats and maisonettes	16,046,144	15,282,040
New builds	3,205,179	—
	<u>56,997,777</u>	<u>51,078,645</u>

Changes in the housing stock are detailed below:

	2008/09 £	2007/08 £
Stock at 1 April 2008	51,078,645	46,737,574
Additions	4,938,822	8,560,000
Disposals	—	—
Revaluations	980,310	(4,218,929)
Stock at 31 March 2009	<u>56,997,777</u>	<u>51,078,645</u>

7 Capital expenditure and financing

	2008/09 £	2007/08 £
Capital investment		
Operational assets	5,035,969	6,201,004
	<u>5,035,969</u>	<u>6,201,004</u>
Sources of finance		
Borrowings	7,500,000	6,382,304
	<u>7,500,000</u>	<u>6,382,304</u>

8 Capital commitments

The estimated commitments for capital expenditure that had started, or legal contracts entered into, by 31 March 2009 are listed below:

	31 March 2009 £	31 March 2008 £
Housing	<u>3,620,642</u>	<u>3,711,384</u>

Ramsey Town Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2009)

9 Debtors

	2009 £	2008 £
Debtors:		
Amounts falling due in one year (net of bad debt provisions):		
Government departments	46,544	279,522
Other local authorities	902	911
Ratepayers	134,954	96,077
Housing rents	6,739	7,242
Sundry debtors	70,081	122,006
VAT	93,229	119,111
	<u>352,449</u>	<u>624,869</u>

Debtor balances are shown net of provisions for bad or doubtful debts. Details of these provisions are given at note 12.

10 Cash

The cash in hand figure at 31 March 2009 was £1,353,264 (2008: £1,503,639), and the bank overdraft was £3,453,224 (2008: £5,983,800). An analysis of the cash movements and the movement in net debt is provided in the cash flow statement and its notes on pages 22 to 25.

11 Creditors

	2009 £	2008 £
Central government	96,925	—
Housing rents	12,747	10,678
Sundry creditors	48,432	65,382
	<u>158,104</u>	<u>76,060</u>

12 Provisions

The Authority maintains the following provisions for bad or doubtful debts:

	2009 £	2008 £
Sundry debtors	1,058	—
	<u>1,058</u>	<u>—</u>

Ramsey Town Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2009)

13 Reserves

Capital reserves and accounts

	Revaluation reserve £	Capital Adjustment account £	Usable Capital receipts £	Capital account £
Balance at 1 April 2008	27,962,673	6,724,835	29,551	989,534
Net surplus for year	—	—	—	—
Appropriations (to)/from revenue	—	348,414	1,333	(1,131)
Transfers (to)/from other reserves	—	681,199	—	(671,377)
Unrealised gains from revaluation of fixed assets	1,282,819	—	—	—
Balance at 31 March 2009	<u>29,245,492</u>	<u>7,754,448</u>	<u>30,884</u>	<u>317,026</u>

Revenue reserves

	Pensions reserve £	General fund £	Specific reserves £	Housing revenue account £
Balance at 1 April 2008	—	929,106	35,190	113,732
Net surplus for year	—	169,319	—	—
Appropriations (to)/from revenue	5,000	—	7,977	(34,830)
Actuarial losses from pensions	(1,243,000)	—	—	—
Transfers (to)/from other reserves	—	—	—	(9,822)
HRA capital expenditure from repairs reserve	—	—	—	—
Balance at 31 March 2009	<u>(1,238,000)</u>	<u>1,098,425</u>	<u>43,167</u>	<u>69,080</u>

Specific reserves

Specific reserves comprise:

	Balance at 1 April 2008 £	Receipts in year £	Expenditure in year £	Balance at 31 March 2009 £
Heating reserve	35,190	7,977	—	43,167
	<u>35,190</u>	<u>7,977</u>	<u>—</u>	<u>43,167</u>

Ramsey Town Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2009)

14 Analysis of net assets employed

	2009 £	2008 £
General Fund	(1,010,786)	(2,575,973)
Housing revenue account	<u>38,331,308</u>	<u>39,360,594</u>
	<u>37,320,522</u>	<u>36,784,621</u>

15 Long term borrowing

Loans outstanding, and not due to mature for more than one year, are the amounts borrowed from external lenders at the balance sheet date. They may be analysed as follows:

	2009 £	2008 £
Analysis of loans by type:		
Commercial loans	22,289,811	15,359,655
Local authority bonds	<u>495,050</u>	<u>821,050</u>
Total	<u>22,784,861</u>	<u>16,180,705</u>
Analysis of loans by maturity:		
Between 1 and 2 years	612,408	619,328
Between 2 and 5 years	1,870,777	1,433,892
Between 5 and 10 years	3,175,626	2,058,110
More than 10 years	<u>17,126,050</u>	<u>12,069,375</u>
Total outstanding	<u>22,784,861</u>	<u>16,180,705</u>

Ramsey Town Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2009)

16 Deferred liabilities /Finance leases

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

	Vehicles, plant and equipment £
Value at 1 April 2008	19,017
Additions	—
Revaluations	—
Depreciation	(19,017)
Disposals	—
	<hr/>
Value at 31 March 2009	<hr/> <hr/>

There were no outstanding obligations to make payments under these finance leases (excluding finance costs) at 31 March 2009.

17 Post balance sheet events

Events may occur between the balance sheet date and the date the accounts are authorised for issue, which might have a bearing upon the financial statements. For the purposes of this note, the date that the statements are authorised for issue has been determined as the date that the statements were formally tabled before the members of the Authority for approval, ie, 30 July 2009, as this is the date from which the accounts will be publicly available.

There have been no events since the date the balance sheet was produced that would require adjustment of the financial statements or disclosure in the notes to the accounts.

18 Members' allowances

During 2008/09 the Authority paid £3,070 to its Members in respect of their attendance at meetings, undertaking duties and responsibilities (2007/08 £4,690).

19 Employees' remuneration

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

Remuneration Band	2008/09 Number of Employees		2007/08 Number of Employees	
	Total	Leavers in year	Total	Leavers in year
£50,000 – £74,999	1	—	1	—

Ramsey Town Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2009)

20 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. Details of transactions with government departments are set out in Note 4 to the Cash Flow Statement.

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 2008/09 the following amounts were transacted with related parties:

A total of £34,783 was paid to a company in respect of a commercial contract, of which Mr K B Mayne, a commissioner, is a director.

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

21 Audit fees

During 2008/09 the Authority incurred the following fees relating to external audit and inspection:

	2008/09 £	2007/08 £
Fees payable with regard to external audit services carried out by the appointed auditor	9,363	12,332

22 Total rateable value

The total rateable value at the year end was £669,413 and rates were levied at 324p in the £.

23 Statement of 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 is 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.

Ramsey Town Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2009)

24 HRA capital expenditure

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

	2008/09 £	2007/08 £
Borrowing	5,035,970	6,201,004
	<u>5,035,970</u>	<u>6,201,004</u>

25 Gross rent income

Gross rent income is the total rent due for the year after voids, write-offs, refunds etc. Voids represent 4.2% of the rental debit for the year, compared to 3.3% in 2007/08.

26 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 received is shown as follows:

	2008/09 £	2007/08 £
Housing deficiency	667,742	203,963
	<u>667,742</u>	<u>203,963</u>

27 Rent arrears

	2008/09 £	2007/08 £
Rent arrears	6,739	7,242
Rent arrears as a percentage of gross rent income	<u>0.5%</u>	<u>0.5%</u>

Arrears written off during the year amounted to £0 (£0 in 2007/08).

Ramsey Town Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2009)

28 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 Isle of Man Local Government Pension Scheme administered by Douglas Borough Council in accordance with the Local Government Pension Scheme Regulations 1997. 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 2009 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 2009 % per annum
Rate of inflation	3.1%
Rate of increase in salaries	4.6%
Expected return on assets	6.2%
Rate for discounting scheme liabilities	6.9%

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

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

	31 March 2009 £
Estimated employer assets	2,822,000
Present value of scheme liabilities	(4,060,000)
Net pensions asset/liability	<u>(1,238,000)</u>

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

	2008/09 £
Net cost of service	
Current service cost	152,000
	<u>152,000</u>
Net operating expenditure	
Expected return on employer assets	(229,000)
Interest on pension scheme liabilities	285,000
	<u>56,000</u>
	<u>208,000</u>

Ramsey Town Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2009)

28 Pensions (continued)

The net deficit/surplus on the scheme has increased from £831,000 to £1,238,000. An analysis of the movement during the year is shown below:

	2008/09 £
Net pension liability at the beginning of the year	831,000
Current service cost	152,000
Employer contributions	(213,000)
Interest cost	285,000
Expected return on employer assets	(229,000)
Actuarial gains/losses	412,000
Net pension liability at the end of the year	1,238,000

As no detailed information for the comparative year is available, the opening deficit of £831,000 has been recognised this year through the statement of total recognised gains and losses.

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:

	£	2008/09 Actuarial gain/loss as % of assets/ liabilities
Value of assets at end of year	2,822,000	-14.6%
Difference between the expected and actual return on assets		
Total present value of liabilities	4,060,000	-10.1%
Experience losses on liabilities	(815,000)	
Actuarial losses recognised in the statement	(412,000)	

The above figures have been provided by the actuaries to the Isle of Man Local 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 2009 would also have an impact on the capital value of the pension fund assets.

The current contribution rates aim to recover the above liabilities over the next 12 years.

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

Ramsey Town Commissioners

Detailed Income and Expenditure Account

for the year ended 31 March 2009

	2009 £	2009 £	2008 £	2008 £
Administration and Office expenses				
Rate collection costs	20,606		19,633	
Rate refunds	—		1,914	
Audit fees	9,363		12,332	
Legal expenses	6,115		3,244	
Election expenses	7,184		180	
Insurance	11,003		10,805	
Heat and light	18,769		15,339	
Printing, stationery, telephone, rent and rates	54,654		56,319	
Caretaker's Wages	18,081		19,430	
Salaries	479,132		446,589	
Pensions	57,734		108,762	
Staff training	1,019		2,685	
Fuel for vans	323		824	
Business continuity plan	—		1,500	
Car travel allowances	518		540	
Depreciation	58,364		87,877	
Doubtful debts	1,058		—	
	<u>(743,923)</u>		<u>(787,973)</u>	
Fixed penalties	406		100	
Administration fee from Ramsey and Northern District Housing Committee	39,450		38,153	
	<u>39,856</u>		<u>38,253</u>	
		<u>(704,067)</u>		<u>(749,720)</u>
Miscellaneous				
Advertising	719		—	
Members' expenses	3,448		4,390	
Chairman's' expenses	1,895		1,710	
Town band	1,000		1,000	
Municipal Sunday	—		528	
War memorial	1,697		2,046	
Incidental	2,727		3,164	
Town warden	14,630		16,118	
Amenity byelaw regulations	654		2,805	
	<u>(26,770)</u>		<u>(31,761)</u>	
Incidental	2,850		1,490	
Search fees	15,635		23,915	
Administration of trade union subs.	12		8	
	<u>18,497</u>		<u>25,413</u>	
		<u>(8,273)</u>		<u>(6,348)</u>

Ramsey Town Commissioners

Detailed Income and Expenditure Account (continued)

for the year ended 31 March 2009

	2009 £	2009 £	2008 £	2008 £
Housing and Property				
Housing				
Oil and Electricity	78,265		80,313	
Restroom refurbishment	376		—	
Rates and Insurance	504		387	
Garage Repairs	514		976	
	<u>(79,659)</u>		<u>(81,676)</u>	
Heating Charges	85,593		82,929	
Drying Tokens	935		663	
Restroom Hire	1,115		1,019	
Garage Rents	3,713		4,220	
	<u>91,356</u>	11,697	<u>88,831</u>	7,155
Workshops				
Maintenance and Insurance	46,767	(46,767)	42,736	(42,736)
Town Hall				
Maintenance and Insurance	47,960		61,559	
	<u>(47,960)</u>		<u>(61,559)</u>	
Income	10,366	(37,594)	10,689	(50,870)
Public Conveniences				
Contract Cleaners	32,720		31,202	
Maintenance and Insurance	23,264		20,619	
Cleaning Materials	3,221	(59,205)	3,925	(55,746)
Housing Revenue Account				
Surfeit Transferred	5,991		4,764	
Administration Charge	102,869	108,860	105,833	110,597
		<u>(23,009)</u>		<u>(31,600)</u>

Ramsey Town Commissioners

Detailed Income and Expenditure Account (continued)

for the year ended 31 March 2009

	2009 £	2009 £	2008 £	2008 £
Works and development				
<i>Amenities and services</i>				
Foreshores, flags and deckchair maintenance	3,092		3,249	
		(3,092)		(3,249)
<i>Car parks</i>				
Operational costs	25,296		11,240	
	(25,296)		(11,240)	
Station road maintenance contribution	2,350		2,257	
Car parking spaces	10,684		10,062	
	13,034	(12,262)	12,319	1,079
<i>Refuse</i>				
Wages	182,249		189,313	
Operational costs	262,719		240,273	
Depreciation	41,306		41,306	
	(486,274)		(470,892)	
Collection charges	99,296		99,924	
Sale of commercial refuse bins	440		816	
	99,736	(386,538)	100,740	(370,152)
<i>Sewers and pumps</i>				
Wages	69,729		72,371	
Operational costs	44,349		92,022	
Depreciation	721		—	
	(114,799)		(164,393)	
Government refund re sewer connections	215,010		264,319	
Administration fee	58,468		55,752	
	273,478	158,679	320,071	155,678
Carried forward		(243,213)		(216,644)

Ramsey Town Commissioners

Detailed Income and Expenditure Account (continued)

for the year ended 31 March 2009

	2009 £	2009 £	2008 £	2008 £
Works and development				
Brought forward		(243,213)		(216,644)
Miscellaneous				
Seats, promenade shelters, street name plates and town clocks maintenance	22,705		25,706	
Street and decorative lighting maintenance	54,148		71,605	
CCTV town area	1,248		3,128	
Grass cutting and tree limbing	15,628		15,840	
Property repairs private sector	15,695		67	
Depreciation	50,385		55,312	
	(159,809)		(171,658)	
Government grants re grass cutting and tree limbing	17,178		17,511	
	17,178		17,511	
		(142,631)		(154,147)
		(385,844)		(370,791)

Ramsey Town Commissioners

Detailed Income and Expenditure Account (continued)

for the year ended 31 March 2009

	2009 £	2009 £	2008 £	2008 £
Parks and leisure				
<i>Advertising and entertainment</i>				
Publicity	1,417		1,043	
Seasonal entertainment and attractions	13,368		13,307	
Ramsey in Bloom	17,464		14,079	
Wages	15,017		16,954	
	<u>(47,266)</u>		<u>(45,383)</u>	
Income	<u>4,034</u>	(43,232)	<u>5,401</u>	(39,982)
<i>Amenities and services</i>				
Mooragh Park amusements maintenance	31,922		33,934	
	<u>(31,922)</u>		<u>(33,934)</u>	
<i>Mooragh Park gardens and land</i>				
Wages	176,497		162,738	
Maintenance	53,993		36,684	
Skate park	1,665		29,599	
Depreciation	12,699		23,799	
	<u>(244,854)</u>		<u>(252,820)</u>	
Income	<u>102</u>		<u>18,276</u>	
	<u>102</u>	(244,752)	<u>18,276</u>	(234,544)
<i>Trading concessions</i>				
Rates, insurance and licenses	6,695		4,825	
Courts and greens maintenance	10,260		10,023	
	<u>(16,955)</u>		<u>(14,848)</u>	
Rent and rates	26,703		24,620	
Administration fee	1,517		1,435	
	<u>28,220</u>		<u>26,055</u>	
		<u>11,265</u>		<u>11,207</u>
Carried forward		(308,641)		(297,253)

Ramsey Town Commissioners

Detailed Income and Expenditure Account (continued)

for the year ended 31 March 2009

	2009 £	2009 £	2008 £	2008 £
Parks and leisure (continued)				
Brought forward		(308,641)		(297,253)
Swimming pool				
Wages for grass cutting	763		705	
Rate contribution	15,440		15,021	
	<u>(16,203)</u>		<u>(15,726)</u>	
Income	784		775	
	<u>784</u>	(15,419)	<u>775</u>	(14,951)
Maintenance of Properties	17,708		12,041	
	<u>(17,708)</u>		<u>(12,041)</u>	
Ramsey and Northern District Housing Authority				
Wages for grass cutting etc	4,027		4,127	
	<u>(4,027)</u>		<u>(4,127)</u>	
Income	4,429		4,540	
	<u>4,429</u>	402	<u>4,540</u>	413
Library				
Salaries	84,913		79,350	
Repairs and maintenance	14,933		30,022	
Depreciation	30,703		28,938	
	<u>(130,549)</u>		<u>(138,310)</u>	
Library fees	12,960		13,147	
	<u>12,960</u>	(117,589)	<u>13,147</u>	(125,163)
		<u>(458,955)</u>		<u>(448,995)</u>