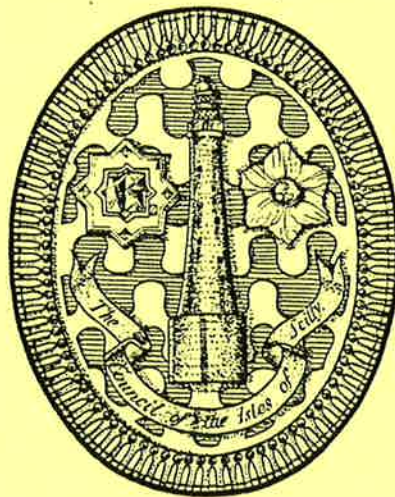


**COUNCIL
OF THE
ISLES OF SCILLY**



**ANNUAL
STATEMENT OF ACCOUNTS
1991/92**

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SECTION A

TREASURER'S FOREWORD

1. The pages which follow are the Council's final accounts for 1991/92 and consist of:
 - i) the Statement of Accounting Policies - this explains the basis of the figures in the accounts and the policies which have been followed in dealing with material items.
 - ii) the General Fund Revenue Account - the Council's main revenue account which shows the cost of the major functions it is responsible for providing, except for Council housing, Water and Sewerage Services and St Mary's Airport;
 - iii) the Water and Sewerage Revenue Account - for St Mary's and Bryher for water and St Mary's for sewerage;
 - iv) the Housing Revenue Account - which reflects a statutory obligation to account separately for local authority housing provision;
 - v) the General Fund Balance Sheet - which shows the balances and reserves at the Council's disposal and it's long term indebtedness. It excludes Trust Funds, the Collection Fund and Water and Sewerage;
 - vi) the Statement of Revenue and Capital Movements - which summarises the Council's income and expenditure and how it is spent;
 - vii) the Collection Fund - this shows the transactions of the Council in relation to non-domestic rates, the general government grant in aid of the cost of local services and the community charge, and indicates the way in which these have been distributed to the General Fund.

The Council incurs both revenue and capital expenditure. Revenue spending is generally on items consumed within a year and financed from Community Charge or Government Grants. Capital Expenditure has to have a life beyond one year and is usually financed by loans. These loans are charged to revenue over a set period of years.

2. Revenue Spending in 1991/92

- i) Net Service expenditure and how these compare in overall terms with budgeted figures are set out overleaf:-

<u>COMMITTEE</u>	<u>1990/91</u> 000's	<u>Budget</u> <u>1991/92</u> 000's	<u>Actual</u> <u>1991/92</u> 000's	<u>Variance</u> <u>1991/92</u> 000's
EDUCATION	1117	1258	1233	(25)
SOCIAL SERVICES	113	125	121	(4)
GENERAL PURPOSES	378	418	410	(8)
TOURISM	43	45	47	2
HOUSING	39	36	34	(2)
PLANNING	22	26	24	(2)
POLICE	68	83	86	3
POLICY AND RESOURCES	108	134	137	3
APPROPRIATIONS	104	105	107	2
INTEREST ON INTERNAL BALANCES	(272)	(197)	(195)	2
AIRPORT	-	152	174	(22)
TOTAL EXPENDITURE	1725	2185	2178	(7)

- ii) Revenue Support Grant received for 1991/92 was £1,148,641. An increase of £182,751 over the 1990/91 figure.
- iii) Additional end of year amounts were approved for transfer to the following provisions:
- | | |
|--------------------------|---------|
| Plant Renewal and Repair | £15,000 |
| Office Equipment | £15,000 |
- iv) Revenue balances now stand at £771,260 at the year end, of which £147,198 is set aside for specific purposes.
- v) On the 12th December 1991, BIH was placed in administration leaving this Authority with unpaid invoices as an unsecured creditor. The Administrator has recently written to all creditors estimating a possible final payment of 48p in the pound to unsecured creditors.
- vi) The sums shown against the Airport Heading represent Revenue Support Grant contribution made by Central Government towards debt charges for expenditure on the Airport Runway Scheme covered by (Non-Trading) Supplementary Credit Approvals.

3. Capital Spending

The Council spent £1,670,418 on capital schemes during 1991/92. This expenditure is analysed by Departments on Page 13. The Runway Paving, Extension and Ancillary work at St Mary's Airport was the largest scheme with £1,277,153 being paid in Consultancy, Contractors and Professional Fees during the year. European Regional Development Grant of £612,000 was received during 1991/92 to offset against the £1.2 million.

Although actual works were completed in 1991/92 negotiations are still continuing to settle final accounts. The total cost of the scheme is now estimated to be £2.19m. Borrowing approval, in the form of Supplementary Credit Approval has, however, been obtained although only £1.193m is attracting Revenue Support Grant.

Three major schemes for the Water Undertaking commenced this year, ie New Water Boreholes at Rocky Hill and Bryher, New Reservoirs at Telegraph and a Replacement Treatment Plant at the Pumping Station. The last two schemes will receive European Grant although not until 1992/93.

4. Housing

The Housing Revenue Account for 1991/92 set out on Page 11 and shows a deficit. This results primarily from the reduction in support by Central Government and the higher than expected expenditure on repairs during the year.

Council tenants had to pay 9.25% extra in rents in 1991/92.

5. Changes

The Local Government Finance Act 1988 and the Local Government and Housing Act 1989 required significant changes to the operation and to the accounting practice of the Council from 1st April 1990.

Unfortunately, little work was initiated by my predecessor to upgrade or review the accounting system to prepare for the change necessary to produce the statement of accounts from 1990/91 onwards. Consequently, this task continues to frustrate staff efforts and the inherent problems experienced in previous financial years in actually balancing the accounts continues to exist.

I do, however, wish to thank all Departmental staff for the hard work, support and commitment they have shown during this period of change and in particular the support given since my appointment in October 1991.

6. The Future

At local level, work continues to review and change the basic accounting systems and procedures to comply with the best accounting practices to meet both local management needs and statutory requirements.

Nationally, the principal change proposed from 1st April 1993 is the abolition of Community Charge and its replacement by the New Council Tax and the introduction of Care in the Community Legislation. Every effort is being made to ensure as smooth an introduction as possible of the new legislation but the Band Levels and resultant reduction in Revenue support Grant to the Authority will, I feel, cause financial difficulties not experienced with Community Charge for both the Council and the Community.

B Archer - Treasurer

17.12.92

SECTION B: STATEMENT OF ACCCOUNTING PRINCIPLES

1. General:

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting issued in April 1991 by the Chartered Insitute of Public Finance and Accountancy (CIPFA) and also with guidance notes issued by CIPFA on the application of accounting standards (SSAPs).

2. Fixed Assets

Fixed assets are recorded in the accounts at historical cost.

In the consolidated balance sheet fixed assets are shown net of 'capital discharged', that is net of the amount which has already been charged to revenue by way of loan repayment or direct revenue contribution or financed from reserves or capital receipts. Where capital grants have been received towards the cost of a project these have been applied to reduce the total cost to the Council.

3. Deferred Charges

Deferred charges are payments of a capital nature where no fixed asset is created but which may properly be financed over a perod of years. They include improvement grants and advances for house purchase. Deferred charges also result when there is no longer a fixed asset to back capital borrowing. This occurs when an asset is sold and the sale proceeds are not used to pay off the outstanding debt.

Deferred charges are written off in annual instalments as the outstanding loan debt is repaid. The balance therefore equates to the related debt outstanding.

4. Basis of Charges for Capital

The Council's borrowing is managed through a Consolidated Loans Pool. The Loans Pool makes advances to individual service capital accounts and charges the service concerned with principal repayments and interest at the average rate for the Pool. The average rate of interest charged by the Pool was 10.45% in 1991/92 (12.81% in 1990/91). The advances are repaid over a number of years, the period depending on the nature of the asset (land 60 years, council dwellings 40 years).

5. Minimum Revenue Provision

With effect from April, 1990, Government legislation has set out minimum levels for repayment of advances made from the Loans Pool, and which must be charged to revenue accounts. The levels are a minimum of 2% of Housing Revenue Account debt which must be charged to the HRA and 4% of all other debt, chargeable to the General Fund.

6. Capital Receipts

As legislation does not enable local authorities to credit receipts to the General Fund or Housing Revenue Account, it is not possible to comply with SSAP6 which requires the profits from sale of assets to be accounted for through such funds or accounts. By virtue of the Local Government Housing Act 1989, Capital Receipts from the sale of assets are therefore analysed as follows:-

- (a) Useable - used to finance new capital expenditure.
- (b) Reserved - to repay debt.

7. Debtors and Creditors

The revenue accounts of the Council are maintained on an accruals basis in accordance with the Code of Accounting Practice and SSAP2. That is, sums due to or from the Council during the year are included whether or not the cash has actually been received or paid in the year. An exception to this principle relates to electricity and similar quarterly payments which are charged at the date of the meter reading rather than being apportioned between financial years. This policy is consistently applied each year and therefore does not have a material effect on the years accounts.

Purchase of capital items are recorded on a cash basis and therefore no debtors or creditors have been included.

8. Stocks

The value of the stocks are recorded at the year end at the lower of historical cost or net realisable value.

9. Provisions

The Council sets aside provisions for specific future expenses which are likely to be incurred but the amount of which cannot be determined accurately. The main provisions are for the various repair funds and the Plant Repair and Renewals Fund, details of which are given in detail in Notes to the Balance Sheet (page 15).

10. Reserves

The Council has created a Capital Reserve to provide for direct funding of some expenditure. An Airport Reserve has been created to identify the balance available to support the funding of the Airport in future years.

11. Pensions

During the year the Council paid an employer's contribution of 3.5% of superannuable employees' reckonable pay into Cornwall County Council's Superannuation Fund. Employer's contribution of 8.05% of School Teachers' reckonable pay was also made to the Department of Education and Science.

12. Internal Interest

Interest credited to the General Fund and the Housing Revenue Account is based on the level of their Fund Balances. The amounts are calculated using 7-day money market rates.

13. Treatment of Government Grants

Specific grants based on revenue costs are credited to the appropriate Revenue Accounts in the year to which they relate. Capital grants, including ERDF grants, are included in the Balance Sheet as Capital Discharged. This treatment has the effect of reducing the amount of borrowing required to finance the expenditure, thus reducing the amount of Debt charged to Revenue.

14. Costs of Support Services

The expenditure on Professional, Technical and Administration Services, including staff salaries, office expense, etc., are allocated to the appropriate service department. The basis of salary allocation is on the estimated time spent by each member of staff supporting a particular service, and, in respect of accommodation on the basis of space occupied by each Department.

15. Investments

Investments are shown in the Consolidated Balance Sheet at cost.

30.12.92

SECTION C: DETAILS OF INCOME AND EXPENDITURE RELATING TO GENERAL FUND SERVICES.

1991/92 actuals and 1990/91 comparative net figures.
(credit figures are shown, where appropriate, in brackets).

	1990/91 Net Expenditure	1991/92 Gross Expenditure	1991/92 Income	1991/92 Net Expenditure
<u>GENERAL FUND EXPENSES</u>				
Education	1,104,841	1,373,216	153,105	1,220,111
Libraries	12,302	13,348	160	13,188
<u>Social Services</u>				
General	26,397	39,016	2,426	36,590
Park House	91,829	155,409	70,993	84,416
Misc. Health Functions	36,304	33,732	3,347	30,385
Housing and Properties	4,916	37,332	28,586	8,746
Industrial Estate	(2,183)	12,095	22,288	(10,193)
Improvement Grants	2,082	60,808	54,139	6,669
House Purchase Advances	791	1,210	495	715
Refuse Col/Disp	195,761	190,771	8,067	182,704
Fire Service	74,623	99,674	3,025	96,649
Emergency Services	504	585	-	585
Police	67,770	86,358	31	86,327
Planning	21,580	36,684	12,360	24,324
Off-Island Launch Service	27,900	27,900	-	27,900
Town Hall	29,980	18,206	3,339	14,867
Sect.137 Local Gov.Act 1972 (Note 1)	2,142	3,230	-	3,230
Tourism (Note 2)	42,729	76,031	29,399	46,632
Hqways/Open Spaces/St.Cl./Lhtng	68,870	96,145	773	95,372
Sea Defences/Coast Protection	-	2,242	-	2,242
Rent Allowances	-	68,508	55,721	12,787
Airport Trading account	-	487,158	312,800	174,358
Other Services	145,864	241,248	15,770	225,478
	-----	-----	-----	-----
Total Expenditure on Services	1,955,002	3,160,906	776,824	2,384,082
Interest on Internal Balances	(272,136)			(194,524)
Contributions to Reserves	26,580			42,200
Contributions from Reserves	-			(53,608)
Transfers to other Funds	14,871			-
	-----			-----
NET CHARGE TO GENERAL FUND	1,724,317			2,178,150
Collection Fund Demand (Note 3)	-1,898,746			-2,185,480
	-----			-----
Surplus for Year	174,429			7,330

(1) Sect. 137 as amended by Sect. 36 of the Local Government and Housing Act 1989, states that a Local Authority may incur expenditure which in its opinion is in the interests of its area. The Council was permitted to spend £7,500 under this power and its actual expenditure was £3,230. A summary of the main heads of expenditure are as follows:-

Environmental Trust	£680
Christmas Lights	£300
C.R Community Council	£1100
St Agnes Hall (Sundry Creditor)	£1000
Cornwall Drama	£ 80
Sports Aid	£ 50
Other	£ 20

(2) Tourism:

Each Local Authority is required to keep a separate account of its expenditure under this heading. Set out below is the Council's spending on publicity.

Resort Publicity -	£24,289
Staffing -	£26,552
Other -	£25,190

TOTAL	£76,031
-------	---------

(3) Demand on Collection Fund includes RSG element for Airport loan charges.

SECTION D: DETAILS OF FUND BALANCES

Revenue Account Balances at the end of 1990/91 and 1991/92

	1990/91 Year End	Change in year	1991/92 Year End
GENERAL FUND Note 1.	637,874	- 13,812	624,062
WATER	36,105	+ 4,526	40,631
SEWERAGE	24,509	- 1,265	23,244
	<u>698,488</u>	<u>- 10,551</u>	<u>687,937</u>

Note 1:

Contributions in 1991/92 to provisions in "Gross Expenditure" figures on pages 7 and 10 are as shown on page 15, item 11, £268,953.

CHANGE IN YEAR

	£
Collection Fund Adjustment	+ 21,142
Surplus	+ 7,330
	<u>+ 28,472</u>
Provision Capital Discharged Adjustment	- 42,284
	<u>- 13,812</u>

WATER UNDERTAKING

	1990/91 Net Expenditure	1991/92 Gross Expenditure	1991/92 Income	1991/92 Net Expenditure
St Mary's & Bryher	92,993	119,608	19,638	99,970
St Agnes (loan charges)	263	220	-	220
Transfers	(5,263)	-	220	(220)
Interest Income				
St Mary's & Bryher	(4,450)	-	3,900	(3,900)
Water Charges	(80,065)		100,596	(100,596)
Surplus (+)/Deficit (-) For Year	-3,478	-119,828	+124,354	+4,526



	1990/91 Net Expenditure	1991/92 Gross Expenditure	1991/92 Income	1991/92 Net Expenditure
--	-------------------------------	---------------------------------	-------------------	-------------------------------

SEWERAGE UNDERTAKING

St. Mary's

Expenditure	20,197	23,372	-	23,372
Income	(21,506)	-	22,107	(22,107)
Surplus (+)/Deficit (-) For Year	+ 1,309			- 1,265



COUNCIL TRADING ACCOUNT

	1990/91 Net Expenditure	1991/92 Gross Expenditure	1991/92 Income	1991/92 Net Expenditure
Airport	-	487,158	312,800	174,358

(1) St Mary's Airport is managed on behalf of the Council by Airwork Ltd

(2) Net expenditure financed by:

Contribution from Revenue Support Grant	146,250
Movement on Airport Reserve	28,108
	<u>174,358</u>

SECTION F: HOUSING REVENUE ACCOUNTS

The Housing Revenue Account for the years 1990/91 and 1991/92 is as follows:-

	<u>1990/91</u>	<u>1991/92</u>
Expenditure		
Charges for Capital	147,862	122,550
Capital Contribution	-	
Repairs	50,391	72,079
Management	24,835	27,183
Heating	6,228	6,445
Rebates	39,270	44,437
	-----	-----
	268,586	272,694
	-----	-----
Income		
Gross Rent Income (notes 1/2)	169,088	193,540
Other misc. income (note 3)	10,479	8,042
Governments Grants:		
Housing Subsidy	58,293	7,751
Housing Benefit (note 4)	38,859	44,194
Interest on Capital Receipts	-	
Interest on Bal's	-	1,771
	-----	-----
	276,719	255,298
	-----	-----
Surplus/Deficit for the Year	8,133	(17,396)
Balance at beginning of year	17,818	25,951
Balance at end of year	25,951	8,555

Notes to the Housing Revenue Account

1. The number of dwellings at 31st March 1992 was 125 (64 Houses, 11 Bungalows, 12 maisonettes, 38 Flats)
2. This includes income from garages, Moorwell and the Old Chapel.
3. Includes income for heating (£7,808) and payments from the Council's other accounts in respect of wayleaves and rights of way.
4. Assistance with rents was available under the Housing Benefit Scheme for those on low incomes. Over 35% of the Council's tenants received assistance towards the costs of their rent.
5. Rent Arrears have slightly increased from £1,370 to £1,376, which is less than 1% of the Gross Rent Income for 1991/92.

SECTION G

BALANCE SHEET 1991/92

	<u>31st March 1991</u>	<u>31st March 1992</u>
<u>Net Fixed Assets:(Note 1)</u>		
Council Dwellings	1,270,632	1,431,088
Other Land and Buildings	1,366,158	1,449,303
Infrastructure	967,411	2,263,399
Vehicles, Plant, Furniture & Equipment	166,961	145,452
	-----	-----
	3,771,162	5,289,242
<u>Deferred Charges (Note 2)</u>	349,471	326,646
<u>Long Term Investments (Note 3)</u>	10,000	10,000
<u>Long Term Debtors - Mortgages</u>	5,972	4,658
	-----	-----
<u>Total Long Term Assets</u>	4,136,605	5,630,546
<u>Current Assets</u>		
Stocks (Note 4)	15,986	17,261
Debtors (Note 5)	289,459	196,543
Cash in hand	2,320	3,580
Bank Balance (Note 6)	-	7,789
Social Services Loan (Note 7)	25,000	25,000
	-----	-----
	332,765	250,173
	-----	-----
<u>Current Liabilities</u>		
Creditors and Receipts in Advance (Note 8)	173,654	372,537
Bank Overdraft	783,073	-
Tempoary Loans	375,000	550,000
Suspense A/c	3,963	-
	-----	-----
	1,335,687	922,537
	-----	-----
<u>Net Current Liabilities</u>	(1,002,922)	(672,364)
	-----	-----
	3,072,099	4,958,182
	-----	-----
<u>Financed By:</u>		
Long Term Borrowing (Note 9)	1,268,030	2,458,883
Useable Capital Receipts Un-Applied (Note 10A)	128,705	131,319
Provisions (Note 11)	370,765	382,530
Prov. for Credit Liabilities (Note 10B/10C)	317,747	968,231
Reserves (Note 12)	257,367	245,959
<u>Revenue Balances:</u>		
General Fund	637,874	624,062
Water Funds	36,106	40,631
Sewerage Funds	24,509	23,244
Housing Revenue Account	25,951	8,555
Trust Funds (Note 13)	66,629	74,768
	-----	-----
	3,072,099	4,958,182
	-----	-----

BALANCE SHEET NOTES

1. Net Fixed Assets:

Movements in fixed assets during the year were as follows:-

A.

	Balance 1.4.91	Expenditure	Disposals	Capital Discharged and Adjustment	Balance 31.3.92
	£'000	£'000	£'000	£'000	£'000
Council Dwellings	1,271	179	4	15	1,431
Other Land and Buildings	1,366	149	-	66	1,449
Infrastructure	967	1,342	-	46	2,263
Vehicles, Plant & Equipment	167	-	-	21	146
TOTAL	3,771	1,670	4	148	5,289

B. **Statement of Capital Expenditure and Funding**

	Expenditure in year 1990/91	Expenditure in Year 1991/92
GENERAL		
Education	211,650	50,264
Museum	3,938	-
Social Services	435	5,088
General Fund Housing	1,246	-
Town Hall	10,597	17,875
Works Dept. and Plant	8,855	41,191
Airport	754,485	1,294,148
Information Centre	380	17,056
Water Undertaking	4,711	65,318
Public Health: Open Spaces	2,698	-
	-----	-----
	998,995	1,490,940
HOUSING	13,776	179,478
IMPROVEMENT GRANTS**	19,832	-
	-----	-----
	1,032,603	1,670,418
Financed by:		
	1990/91	1991/92
Loans	925,563	1,058,417
Revenue Contributions	(1)	1
Capital Receipts	-	-
EC Grant (ERDF)	107,041	612,000
Capital Funds	-	-
Appropriated Assets	-	-
	-----	-----
	1,032,603	1,670,418

** Improvement Grants and Advances for House Purchases are written down each year as the loan debt on expenditure is repaid, and have been excluded from the cumulative totals.

2. Deferred Charges:

Improvement Grants	349,471	-	22,825	326,546
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3. Long Term investment:

In 1989/90, the Council made a contribution of £10,000 to the Association of District councils towards the cost of new office accommodation. Debenture Stock was issued dated 1986/2011.

4. Stock:

Stock consists of: Stone £17,014; Tiles £223; Other £24.

5. Debtors:

	1990/91	1991/92
Government Grants	111,778	17,542
Ratepayers	1,207	1,815
Housing Rents	1,465	2,757
Sundry Debtors	177,396	178,429
	291,846	200,543
Less provision for doubtful debts	(4,000)	(4,000)
	287,846	196,543
Creditors paid in advance	1,613	-
	289,459	196,543

6. Bank Balance

Current Account	252,701 O/D
Business Account	260,490
Total	7,789

7. Social Services Loan:

A £25,000 Loan was issued to a member of the Social Services Department as a form of Bridging Loan

8. Creditors and Receipts in Advance:

Sundry Creditors	151,183	313,217
Amount due to Collection Fund	21,143	4,955
Government Grants overpaid	-	52,877
Ratepayers	50	329
Housing Rents	946	830
Other	329	329
	173,654	372,537

9. Analysis of loans by maturity: (£'000)

Maturing in one year	265
Maturing in 1-2 years	258
Maturing in 2-5 years	1,289
Maturing in 5-10 years	629
Maturing in more than 10 years	18
	2,459

All loans are borrowed from the Public Works Loan Board. Interest rates range from 3% to 13.5%

10. Capital Receipts Unapplied

Under the Local Government and Housing Act 1989, all capital receipts are partly Usable and partly Reserved. The Useable receipts are available to finance new capital expenditure, while the Reserved receipts must be set aside to meet credit liabilities, such as the repayment of debt.

(a) <u>Usable Capital Receipts</u>	<u>1990/91</u> £'000s	<u>1991/92</u> £'000s
Unused at 1 April	121	129
New usable receipts received in year	<u>10</u> 131	<u>11</u> 140
Used in year for capital purposes	- 1	- 8
Voluntary provision for Loan repayments	<u>- 1</u>	<u>- 1</u>
Unused at 31 March	129	131
(b) <u>Provision for Credit Liabilities</u>		
Balance at 1 April	299	318
Adjustment re: previous year	-	50
Reserved receipts in year	26	31
Voluntary provision made by Usable Capital Receipts	1	1
Revenue Provision - Minimum	103	136
- Voluntary	47	48
ERDF Grants	<u>-</u>	<u>612</u>
	476	1196
Less external loans repaid	<u>108</u>	209
	368	
Adjustment in following year	<u>50</u>	
Balance at 31 March	CR:318	CR:987
(c) <u>Provision for Capital Discharged</u>		
Balance at 1st April	-	43
Revenue Provisions and other	<u>151</u>	<u>185</u>
	151	228
Less External Loans repaid	<u>108</u>	<u>209</u>
Balance at 31 March	DR: 43	DR: 19
<u>Net Provisions</u>	<u>275</u>	<u>968</u>

11. PROVISIONS

	1990/91 Year End	+	-	1991/92 Year End
REPAIR FUNDS	207,064	90,100	85,108	212,056
PLANT FUND	56,389	46,127	38,881	63,635
WATER REPAIR FUND	47,433	35,550	28,690	54,293
SEWERAGE REPAIR FUND	13,428	6,000	2,469	16,959
EQUIPMENT FUNDS	45,884	6,258	18,027	34,115
ON COST ACCOUNT	567	84,918	84,013	1,472
	<u>370,765</u>	<u>268,953</u>	<u>257,188</u>	<u>382,530</u>

12. RESERVES

	1990/91 Year End	Transfer from General Fund	Transfer to General Fund	1991/92 Year End
Capital	139,677	16,700	-	156,377
Airport	117,690	25,500	(53,608)	89,582
	<u>257,367</u>	<u>42,200</u>	<u>(53,608)</u>	<u>245,959</u>

13. Trust Funds:

Includes the Richard Addison Trust Monies (£71,170), which is not under direct control of the Authority but held under Trust for the Well Being of the Old People of the Islands.

SECTION H: CONSOLIDATED STATEMENT OF REVENUE AND CAPITAL MOVEMENTS

<u>1990/91</u>	<u>Revenue Expenditure</u>	<u>1991/92</u>
1,093,157	Employees	1,180,788
162,809	Interest/Leasing Charges	270,061
1,939,418	Other Operational Costs (1)	1,544,012
-----	Housing Benefits	121,947
		3,116,808

	<u>Capital Expenditure</u>	
1,012,771	Fixed Assets	1,670,418
19,832	Deferred Charges	-
-	Long Term Investments	-
-----		1,670,418
1,032,603		-----
4,227,987	<u>Total Revenue and Capital Expenditure</u>	4,787,226

	<u>Revenue Income</u>	
239,579	Grants	1,672,571
130,636	Rents	174,973
290,546	Interest	203,345
1,047,463	Other	1,083,703
1,898,746	Collection Fund	756,433
-----		-----
3,606,970		3,891,025

	<u>Capital Income</u>	
31,706	Sale of Assets	42,271
1,227	Repayment of Advances	1,315
-----		-----
32,933		43,586

3,639,903	<u>Total Revenue and Capital Income</u>	3,934,611
-----		-----
588,084	<u>Shortfall Income over Expenditure</u>	852,615
=====		=====
	<u>FINANCED FROM</u>	
	Net change in long-term borrowing	1,190,853
141,423		
	Net change in short-term borrowing	175,000
592,042		1,365,853
-----		-----
	Changes in other short-term items	
(19,798)	Creditors & Receipts in Advance	210,522
(178,692)	Debtors	70,723
(12,773)	Stocks	(1,275)
33,164	Provisions/Reserves	357
	Cash at Bank	(790,862)
(1,411)	Cash	1,260
34,129	Suspense Balances	(3,963)
-----		(513,238)
(145,381)		-----
588,084		852,615
=====		=====

Note 1. Other operational costs includes Social Services Bridging Loan.

These statements represent the transactions of the Collection Fund, a statutory fund separate from the main accounts of the authority. The Fund accounts independently for income relating to the community charge and non-domestic rates on behalf of those bodies (including the Council's own General Fund) for whom the income has been raised. Administration costs are borne by the General Fund.

Income and Expenditure for the Year Ended 31 March 1992	1990/91	1991/92	Notes
Income from Community Charge	566,779	210,669	1
Income from Non-Domestic Rates	442,563	545,764	2
Government Grants	966,128	1,432,546	3
Net Interest Earned on Cash Balances	8,524	7,055	4
TOTAL INCOME	1,983,994	2,196,034	
Precepts and Demands	1,898,746	2,185,480	
Provision for Uncollectable Amounts	-	-	
TOTAL EXPENDITURE	1,898,746	2,185,480	
Increase in Fund Balance for the year	85,248	10,554	
Balance brought forward	-	85,248	
Balance carried forward	85,248	95,802	

Collection Fund Balance Sheet as at 31 March 1992

1990/91		1991/92
	Current Assets	
	Debtors (Net of Provision for Bad Debts):	
24,368	Non-Domestic Rate Arrears	21,799
8,879	Community Charge Arrears	1,666
40,246	Contributions due from NNDR Pool	23,859
-	Community Charge Reduction Grant due from the Govt.	48,362
21,143	Temporary Loan to General Fund	4,955
94,636		100,641
	Current Liabilities:	
	Creditors:	
-	Deposits from General Fund for NNDR	-
1,245	Collection Shortfalls	-
8,143	Non-Domestic Rate Prepayments	4,545
	Community Charge Prepayments	294
9,388		4,839
85,248	Net Assets	95,802
85,248	Fund Balance carried forward	95,802

Note 1. Community Charge

The Council set a Personal charge of £105 per head of its relevant population for Community Charge purposes. The various types of charges were as follows:

Personal (£105 x appx.population 1500)	155,321
Standard (Primarily for second homes)	48,266
Collective (Levied on hotels etc.)	8,338

	211,925
Less:	
Transitional Relief	-
Amount written off	1,256

	210,669

Note 2. Non Domestic Rates

Under the arrangements for Uniform business Rates, the Council collects Non domestic rates for its area which are based on Rateable Values multiplied by the national rate of 34.8p in the £. The total amount, less any adjustments, is then paid to a central pool which then repays the Authority its share based on amount per head of local population. The amounts included above can be analysed as follows:-

	<u>£'000</u>
R.V (1.43m) x (38.6p)	552
Less adjustments	123

Contribution to the Pool	429
Redistribution from the Pool	117

Net Income to the Fund	546

Note 3. Government Grants

These include:

Revenue Support Grant	1,148,641
Reduction Scheme Grant	282,380
Reduction Scheme Grant Costs	1,525

	1,432,546

Note 4. Interest Payable (Net)

The net interest payable is based on the amounts due to/from the General Fund over the year, calculated on an average monthly basis at current market rates.

Interest payable from General Fund	7,878
Interest payable to General Fund	823

	7,055

SECTION J: TREASURER'S CERTIFICATE:

The foregoing pages include the relevant Statement of Accounts for the year ending 31st March 1992 prepared in accordance with the Accounts and Audit Regulations 1983.

B. Archer

B.R Archer

December 1992

SECTION K: AUDIT OPINION:

Council of the Isles of Scilly

I certify that I have completed the audit of the authority's accounts for the year ended 31st March 1992 in accordance with Part III of the Local Government Finance Act 1982 and the Code of Audit Practice.

The accounts did not balance and a balancing entry of £4,955 has been made in the General Fund expenditure statement.

Subject to the above in my opinion the statement of accounts on pages 4 to 20 presents fairly the financial position of the authority at 31st March 1992 and its income and expenditure for the year then ended.



J N Edwards
District Auditor

21st December 1993.