

**COUNCIL
OF THE
ISLES OF SCILLY**



**ANNUAL
STATEMENT OF ACCOUNTS
1992/93**

CONTENTS

- | | | |
|-----|-----------|--|
| 1. | SECTION A | TREASURERS FOREWORD |
| 5. | SECTION B | STATEMENT OF ACCOUNTING PRINCIPLES |
| 8. | SECTION C | GENERAL FUND SUMMARY REVENUE ACCOUNT |
| 11. | SECTION D | DETAILS OF FUND BALANCES |
| 12. | SECTION E | TRADING ACCOUNTS |
| 13. | SECTION F | HOUSING REVENUE ACCOUNTS |
| 14. | SECTION G | BALANCE SHEET AND NOTES |
| 21. | SECTION H | CONSOLIDATED STATEMENT OF REVENUE AND
CAPITAL MOVEMENTS |
| 22. | SECTION I | COLLECTION FUND |
| 25. | SECTION J | TREASURERS CERTIFICATE |
| 26. | SECTION K | AUDIT OPINION AND CERTIFICATE |

SECTION A

TREASURER'S FOREWORD

1. The pages which follow are the Council's final accounts for 1992/93 and comprise:
 - i) 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) 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) Trading Accounts - showing St Mary's and Bryher water and St Mary's sewerage and St Mary's Airport expenditure incurred and income received;
 - iv) Housing Revenue Account - which reflects a statutory obligation to account separately for local authority housing provision: it shows the major elements of housing revenue expenditure and how these are met by rents, subsidy and other income;
 - v) General Fund Balance Sheet - which shows the balances and reserves at the Council's disposal and it's long term indebtedness. It excludes the Collection Fund;
 - vi) Statement of Revenue and Capital Movements - which summarises the Council's income and expenditure and how it is spent;
 - vii) 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. The financing of capital expenditure is charged to revenue over a period set in accordance with statutory responsibilities.

2. Revenue Spending in 1992/93

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

<u>COMMITTEE</u>	<u>1991/92</u> 000's	<u>Budget</u> <u>1992/93</u> 000's	<u>Actual</u> <u>1992/93</u> 000's	<u>Variance</u> <u>1992/93</u> 000's
EDUCATION	1233	1453	1343	- 110
SOCIAL SERVICES	121	143	138	- 5
GENERAL PURPOSES	410	411	323	- 88
TOURISM	47	49	56	7
HOUSING	34	33	(3)	- 36
PLANNING	24	35	30	- 5
POLICE	86	86	84	- 2
POLICY AND RESOURCES	244	224	320	96
INTEREST INCOME	(195)	(180)	(141)	39
AIRPORT	174	198	215	17
TOTAL EXPENDITURE	2178	2452	2365	- 87

- ii) Revenue Support Grant received for 1992/93 was £1,680,548. An increase of £531,907 over the previous year.
- iii) Revenue balances now stand at £914,640 at the year end, of which £203,957 is set aside for specific purposes.
- iv) 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.

5. Capital Spending

The Council spent £998,321 on capital schemes during the year, which is analysed by service on page 13. Nearly 74% of this outlay was financed by borrowing, generating debt charges which will be included within future revenue spending. A further 17% was financed by the receipt of ERDF grants. The more significant capital schemes are included in the statement below:

	£'000
Education:	
I.O.S school - boiler, toilets etc	47.6
Carn Gwaval - porch and paved area	41.1
Tresco and St Agnes	28.3
Water Services:	
Boreholes - St Mary's and Bryher	17.9
Reservoirs at Telegraph	86.1
Desalination and other plant	293.4
Airport:	
Runway extension	141.4
Terminal building	78.1
Refuse Disposal:	
Incinerator	70.9
Town Hall:	
Fire Precautions	11.9
Coast Protection:	
Bryher and St Agnes	19.8
Park House:	
Fire Precautions	22.0
General Fund Housing:	
Hostel Flat	14.9
Improvement grants	49.2
Council Housing:	
Longras	27.2
Museum Flats	7.2
Other small schemes	38.9

	995.9

4. Housing

Council tenants have had to pay 14.12% extra in rents in 1992/93.

The Housing Revenue Account for 1992/93 set out on Page 13, shows that the Council have managed their affairs broadly in line with the original budget. The Council continues to be a major provider of rental accommodation on St Mary's.

5. Stores

Over the years, it has been the practice to charge purchased materials to the service for which they were required, and those materials which were surplus to immediate requirements were held in stores for future use but without recording this in the accounts. To regularise the position, the Stores held were valued during 1992/93 and Stock Accounts were opened, with the value being credited back to the Revenue Accounts. This procedure has had a significant impact on the Water Services Account, where a once-only credit of £21,340 (see page 12) is reflected in the comparatively high surplus in the year being transferred to the Water Undertaking's Revenue Fund.

6. Outlook

The Local Government Finance Act 1988 and the Local Government and Housing Act 1989 still require significant changes to the operation and to the accounting practice of the Council.

Consequently, this task continues to frustrate staff efforts and the inherent problems experienced in previous financial years in actually balancing the accounts continued to be a problem in 1992/93.

I do, however, wish to thank all Departmental staff for the hard work, support and commitment they have shown during this period of change.

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 the above statutory requirements.

Nationally, the principal change introduced on 1st April, 1993 was the new Council Tax and the Care in the Community Legislation. Every effort is being made to ensure as smooth an introduction as possible of the new legislation. Both systems were introduced successfully but with regard to Council Tax with so many properties placed in the higher Bands, and the high level of appeal against these valuations, I await to see whether the level of collection and therefore the impact on 1994/95 Council Tax levels, will be significant.

B Archer
Treasurer

November 1993

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 Institute of Public Finance and Accountancy (CIPFA) and also with guidance notes issued by CIPFA on the application of accounting standards (SSAPs).

2 Income and Expenditure:

- (a) Revenue - In the Revenue Account, income and expenditure are accounted for in the year in which the sums are due to or from the Council, irrespective of when the cash is actually received or paid. This is in accordance with the Code of Accounting Practice and SSAP2. An exception to this principle relates to electricity and similiar quarterly payments which are charged at the date of the meter readings rather than being apportioned between financial years.
- (b) Capital - The Capital Account records income and expenditure on a cash basis. All ERDF grants claimable against expenditure have been included.
- (c) Cost of Support Services - These costs which include staff salaries, office expenses etc, are recharged to the appropriate services on the basis of estimated time allocated by each member of staff, with the exception of Administrative buildings which is charged on floor area basis.
- (d) Internal Interest - Surplus capital and revenue cash is invested internally. Interest is credited to the General Fund and is based on the average level of investment and the 7 day money market rates.
- (e) Government Grants - Specific grants based on revenue costs are credited to the appropriate revenue accounts in the year in which they arise. Capital grants are credited to Capital Discharged so as to reduce the amount of borrowing required to finance the assets to which they relate, unless legislation requires the grant to be credited to the Provision for Credit Liabilities.
- (f) Pensions - The Council does not comply with the accounting requirements of SSAP24 "Accounting for pension costs", as such costs are determined by Government regulations. Therefore, the Balance Sheet liabilities are understated in respect of pension costs. However, these costs are disclosed by way of a note to the accounts, in accordance with standard accounting practice for local authorities.

3 Capital Assets:

- (a) Fixed Assets - expenditure on the acquisition of or enhancement to the value of tangible assets which are of benefit to the Council and the services it provides for more than one year, is capitalised and classified as a fixed asset.
- (b) Deferred Charges - these represent payments which have been properly capitalised but which do not result in tangible fixed assets. They include Improvement Grants and Advances for house purchase.
- (c) Charges for Fixed Assets and Deferred Charges - Revenue accounts are charged for the use of fixed assets and deferred charges financed by loans, with an amount which covers the minimum revenue provision for charging of interest and loan repayment as required by the Local Government and Housing Act 1989. Individual charges to services are based on the outstanding debt attributable to the relevant service.

4 Capital Receipts:

The disposal of fixed assets creates income known as capital receipts. As legislation does not enable local authorities to credit capital receipts to the General Fund or Housing Revenue Account, it is not possible to comply with SSAP6 which requires the profits from the sale of assets to be accounted for through such funds or accounts. These receipts are held in reserves and in the Provision for Credit Liabilities pending their application to fund new capital expenditure or to redeem loan debt. By virtue of the Local Government and Housing Act 1989, the Government has prescribed that the proportion of capital receipts which must be set aside to redeem debt must be either 75% of Council house sales or 50% of other asset disposals.

5 Current Assets:

- (a) Stocks - The Council hold several stores, including water fittings and building and educational materials. The value of the stocks are recorded at the year end at the lower of historical cost or net realisable value.
- (b) Investments - are shown in the Balance Sheet as cost.

6 Reserves:

The Capital Reserve is an amount set aside to finance capital expenditure when loan or other finance may not be available. An Airport Reserve has been created to identify the balance available to support the funding of the airport in future years.

7 Provisions:

The Council has set aside funds for potential future expenses which may be incurred, but the amount of which cannot be determined with any certainty, or the dates on which these liabilities may arise. They are in respect of the repair and replacement of various buildings, plant and equipment.

SECTION C:

General Fund Services Year to 31st March 1993:

This statement shows the gross expenditure, income and net cost of the main services of the Council and how the latter compared with the precept made on the Collection Fund. With regard to Housing, the Statement excludes rent income and expenditure of the Council Housing Stock (see Housing Revenue Account, Section F). It also excludes the costs of running the Airport and the water and sewerage services, which appear elsewhere in this Report.

	1991/92 Net Expenditure	1992/93 Gross Expenditure	1992/93 Income	1992/93 Net Expenditure	1992/93 Original Budget
GENERAL FUND EXPENSES					
Education	1,220,111	1,494,430	165,424	1,329,006	1,438,910
Social Services - General	36,590	38,579	9,148	29,431	42,050
- Park House	84,416	158,089	49,308	108,781	100,570
Library	13,188	14,020	271	13,749	13,800
Planning	24,324	55,409	25,191	30,218	35,470
Refuse Collection and Disposal	182,704	149,384	7,038	142,346	195,300
Public Conveniences	18,114	23,155	-	23,155	24,080
Misc. Health functions	12,272	14,867	3,158	11,709	17,900
Tourism	46,632	105,407	49,664	55,743	49,100
Highways	75,758	39,595	390	39,205	56,250
Open Spaces and Beaches	19,614	16,304	720	15,584	23,090
General Housing	8,746	28,461	28,914	(453)	4,890
Corporate & Industrial	(10,193)	13,944	21,871	(7,927)	(1,150)
Improvement Grants	6,669	17,512	25,602	(8,090)	5,000
House Purchase advances	715	1,075	379	696	730
Housing Benefits	11,807	83,891	76,896	6,995	2,750
Homeless families	980	189	118	71	-
Town Hall	14,867	12,102	6,298	5,804	21,090
Coast Protection	2,242	4,199	-	4,199	1,000
Police	86,327	83,852	-	83,852	86,500
Fire Service	96,649	90,423	3,441	86,982	93,050
Off Island Launch Service	27,900	27,900	-	27,900	27,900
Airport trading account	174,358	582,197	367,113	215,084	198,500
Other Services	229,292	318,842	27,325	291,517	177,600
Total expenditure on Services	2,384,082	3,373,826	868,269	2,505,557	2,614,380
Interest on Internal Balances	(194,524)			(141,214)	(180,000)
Contributions to Reserves	42,200			38,120	17,400
Contributions from Reserves	(53,608)			(37,304)	-
Net charge to General Fund	2,178,150			2,365,159	2,451,780
Precept on Collection Fund	2,185,480			2,451,780	2,451,780
Surplus + (Deficiency -) for year	+ 7,330			+ 86,621	NIL

Notes to the General Fund:

- (1) Section 36 of the Local Government and Housing Act 1989, empowers a Local Authority to incur expenditure which in its opinion is in the interests of its area and/or its inhabitants. The Council was able to spend up to £7,500 under this power; its actual expenditure amounted to £2,150, as follows:

	£
Environmental Trust	680
Christmas Lights	350
C.R Community Council	600
Cornwall Drama Group	30
Community Health Council	140
City Opera	300
Rugby Club	50
	<u>2150</u>

- (2) The precept issued on the Collection Fund included the Rate Support Grant element in respect of the Airport Loan charges. The Rate Support Grant is credited direct to the Collection Fund.

- (3) Publicity:
Each local authority is required to keep a separate account of its expenditure on publicity. The Councils expenditure in 1992/93 was as follows:

	£
Tourism publicity	45,419
Recruitment advertising	351
Other (planning, contracts etc)	208
	<u>45,978</u>

- (4) Trading Services:
The total expenditure and income of the Council's Trading Services is included in Section E.

- (5) Pension Costs:
During the year, the Council made a contribution as employer, of £41,179 to the Department of Education and Science in respect of teachers' pension costs. This represented 8.05% of reckonable teachers' pay.

An employer's contribution of £13,474 representing 3.5% of reckonable pay, was made in respect of all other staff to the Cornwall County Council's Superannuation Fund. The contribution rate is determined by the Superannuation Funds Actuary based on triennial actuarial valuations, the last review being 1992. As from the 1st April 1993, the rate of contribution is increased from 3.5% to 4%.

The Council has not, in the past, awarded added years to retiring employees; therefore, there is no cost to the Council.

Further information can be found in the County Council's Superannuation Fund's Annual Report, which is available upon request from The County Treasurer, County Hall, Truro, TR1 3BD.

- (6) The Council is obliged to disclose the amount of income it receives under the Local Authorities (Goods and Services) Act 1970. As the Council does not supply goods or services to any other local authority or similar body, there is no income receivable.
- (7) The following contributions to Provision have been charged direct to services:

	£
Works Department - plant	45,000
Office equipment	4,000
Highways repairs	2,000
General Buildings	11,500
Water Services	12,000
Other contributions	<u>22,520</u>
	<u>97,020</u>

(8) Debt Charges:

The Council's borrowing is managed through a consolidated Loans Pool into which all external loans are credited and out of which capital advances to service borrowing accounts are made. The services repay such advances together with interest over a period of years, the total overall repayment being in accordance with Government regulations as to the Minimum Revenue Provision (MRP) that must be made. The MRP is currently 2% of the Housing Revenue Account debt and 4% of all other debt.

The average Loans Pool interest charged in 1992/93 was 9.369% (10.45% in 1991/92).

(9) Staffing Levels:

In March 1993, the number of staff employed by the Council was as follows:

	Male	Female
Full-time	53	28
Part-time	<u>48</u>	<u>44</u>
Total	<u>101</u>	<u>72</u>
Total	<u>173</u>	

SECTION D: DETAILS OF FUND BALANCES

Revenue Account Balances at the end of 1991/92 and 1992/93

	1 April 1992	Change in year	31 March 1993
GENERAL FUND	624,062	+ 86,621	710,683
WATER (see page 12)	40,631	+ 43,821	84,452
SEWERAGE (see page 12)	23,244	+ 1,093	24,337
	<u>687,937</u>	<u>+131,535</u>	<u>819,472</u>

SECTION E: TRADING ACCOUNTS

	1991/92 Net Expenditure	1992/93 Gross Expenditure	1992/93 Income	1992/93 Net Expenditure
<u>WATER UNDERTAKING</u>				
St Mary's & Bryher	99,970	149,382	27,162	122,220
St Agnes (loan charges)	220	-	-	-
Transfers	(220)	-	-	-
Valuation of Stores held	-	-	21,340	(21,340)
Interest Income				
St Mary's & Bryher	(3,900)	-	4,290	(4,290)
Water Charges	(100,596)	-	140,411	(140,411)
Surplus (+)/Deficit (-) For Year	+4,526	149,382	193,203	+43,821

	1991/1992 Net Expenditure	1992/93 Gross Expenditure	1992/93 Income	1992/93 Net Expenditure
<u>SEWERAGE UNDERTAKING</u>				
<u>St. Mary's</u>				
Expenditure	23,372	24,591	-	24,591
Income	(22,107)	-	25,683	(25,683)
Surplus (+)/Deficit (-) For Year	1,265			+1,092

COUNCIL TRADING ACCOUNTS

	1991/92 Net Expenditure	1992/93 Gross Expenditure	1992/93 Income	1992/93 Net Expenditure
Airport	174,358	582,197	367,113	215,084

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

(2) Net expenditure financed by:

Contribution from Revenue Support Grant	£ 198,500
Movement on Airport Reserve	16,584
	<u>215,084</u>

SECTION F: HOUSING REVENUE ACCOUNTS

The Housing Revenue Account for the years 1991/92 and 1992/93 is as follows:-

	<u>1991/92</u>	<u>1992/93</u>
Expenditure		
Charges for Capital	122,550	121,884
Capital Contribution	-	1
Repairs	72,079	43,340
Management	27,183	28,301
Heating	6,445	5,844
Rebates (Note 4)	44,437	53,694
	-----	-----
	272,694	253,064
	-----	-----
Income		
Gross Rent Income (notes 1/2)	193,540	216,902
Other misc. income (note 3)	8,042	9,412
Governments Grants:		
Housing Subsidy	51,945	28,655
Interest on Bal's	1,771	710
	-----	-----
	255,298	255,679
	-----	-----
Surplus/Deficit for the Year	(17,396)	2,615
Balance at beginning of year	25,951	8,555
Balance at end of year	<u>8,555</u>	<u>11,170</u>

Notes to the Housing Revenue Account

1. The number of dwellings at 31st March 1993 was 124 (62 Houses, 11 Bungalows, 51 flats and maisonettes) One house was sold in 1992/93.
2. This includes income from garages, Moorwell and the Old Chapel.
3. Includes income for heating (£7,665) and payments from the Council's other accounts in respect of wayleaves and rights of way.
4. Assistance with rents is available under the Housing Benefit Scheme for those on low incomes. There were 43 tenants (approximately 35%) who were in receipt of some assistance with their rents at 31st March 1993.
5. Rent Arrears have decreased from £1,376 to £1,140, which is approximately 1/2% of the Gross Rent Income for 1992/93.
6. Rents were increased by approximately 14.13% in April 1992 compared with 9.29% from April 1991. Average rents in 1992/93 were £34.25 over 50 weeks (£32.93 over 52 weeks).

SECTION G

BALANCE SHEET 1992/93

	<u>at 31st March:</u>	
	<u>1992</u>	<u>1993</u>
<u>Net Fixed Assets:(Note 1)</u>		
Council Dwellings	1,431,088	1,460,170
Other Land and Buildings	1,444,474	1,579,950
Infrastructure	2,383,427	2,943,141
Vehicles, Plant, Furniture & Equipment	30,253	28,800
	-----	-----
	5,289,242	6,012,061
<u>Deferred Charges (Note 2)</u>	326,646	16,000
<u>Long Term Investments (Note 3)</u>	10,000	10,000
<u>long Term Debtors - Mortgages</u>	4,658	3,247
	-----	-----
<u>Total Long Term Assets</u>	5,630,546	6,041,308
<u>Current Assets</u>		
Stocks (Note 4)	17,261	39,587
Debtors (Note 5)	196,543	385,008
Cash in hand	3,580	5,464
Bank Balance (Note 6)	7,789	-
Social Services Loan (Note 7)	25,000	25,000
	-----	-----
	250,173	455,059
<u>Current Liabilities</u>		
Creditors and Receipts in Advance (Note 8)	372,537	263,232
Bank Overdraft	-	361,665
Temporary Loans	550,000	316,000
	-----	-----
	922,537	940,897
<u>Net Current Liabilities</u>	(672,364)	(485,838)
	-----	-----
	4,958,182	5,555,470
	-----	-----
<u>Financed By:</u>		
Long Term Borrowing (Note 9)	2,458,883	2,657,744
Useable Capital Receipts Un-Applied (Note 10A)	131,319	140,813
Provisions (Note 11)	382,530	427,767
Prov. for Credit Liabilities (Note 10B/10C)	987,366	1,071,109
Provision for Capital Discharged	(19,135)	96,623
Reserves (Note 12)	245,959	246,775
Revenue Balances:		
General Fund	624,062	710,683
Water Funds	40,631	84,452
Sewerage Funds	23,244	24,337
Housing Revenue Account	8,555	11,170
Trust Funds (Note 13)	74,768	83,997
	-----	-----
	4,958,182	5,555,470
	-----	-----

BALANCE SHEET NOTES

1. Net Fixed Assets:

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

A.	Balance 31.3.92	Expenditure	Disposals	Capital Discharged and Adjustment	Balance 31.3.93
	£'000	£'000	£'000	£'000	£'000
Council Dwellings	1,431	59	1	29	1460
Other Land and Buildings	1,445	241	-	106	1580
Infrastructure	2,383	646	-	86	2943
Vehicles, Plant & Equipment	30	3	-	4	29
TOTAL	5,289	949	1	225	6012

B. Statement of Capital Expenditure and Funding

	Expenditure in Year:	
	1991/92	1992/93
<u>GENERAL</u>		
Education	50,264	116,997
Coast Protection	-	25,763
Social Services	5,088	22,021
General Fund Housing	-	19,384
Town Hall	17,875	13,962
Works Dept. and Plant	41,191	4,583
Airport	1,294,148	223,257
Information Centre	17,056	6,792
Water Undertaking	65,318	397,389
Refuse Disposal - Incinerator	-	70,877
- Other	-	8,313
	-----	-----
	1,490,940	909,338
<u>HOUSING</u>		
	179,478	39,738
<u>IMPROVEMENT GRANTS**</u>		
	-	49,245
	-----	-----
	1,670,418	998,321

<u>Financed by:</u>	1991/92	1992/93
Loans	1,058,417	734,600
Revenue Contributions	1	60
Revenue Provisions	-	66,859
Capital Receipts	-	-
EC Grant (ERDF)	612,000	171,541
Capital Funds	-	-
Exchequer	-	25,261
	-----	-----
	1,670,418	998,321

** Improvement Grants and Advances for House Purchases are written down each year as the loan debt on expenditure is repaid.

C. Fixed Assets:

Major assets held at 31st March 1993 are as follows:

Council Houses	124
General Fund Houses	15
Garages	20
Education - Secondary School	1
- Primary Schools	4
- Hostel	1
Residential Care Establishment	1
Library	1
Administrative Buildings	2
Public Conveniences	6
Airport	1
Airport - vehicles and moveable plant	7
Works Depot	1
Works vehicles and plant	20
Incinerator	1
Reservoirs	3
Desalination plant	1
Water/Sewerage Pumping Stations	3
Industrial Estate	1
Fire Station (St. Mary's)	1
Fire Service vehicles	3
Fire Stations (Off-Islands)	4
Tourist Information Centre	1
Cemetery	1
Park/Garden	1
Miscellaneous buildings	4
Roads (made-up)	14.5 km

D. Capital Commitments:

At the 31st March 1993, payments to contractors relating to existing contracts were committed as follows:

	£
Water - Desalination	2,000
- Reservoir at Telegraph Hill	32,000
Water Treatment Plant Higher Moor	20,000
Denitrification plant	15,000
Airport - Terminal alterations	22,000
Housing - Longras improvements	25,000

2. <u>Deferred Charges:</u>	Balance	Expenditure	Amount Written Off	Balance
	31.3.92			31.3.93
Improvement Grants	326,646	49,245	359,891	16,000

Debt amounting to £333,969 was written off as a result of the commutation of Annual Revenue grants by the Exchequer.

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 1996/2011.

4. Stock:

Stock consists of: Stone £17,274; Tiles £223; Hot Water Cylinders £750; Water Fittings £21,340.

5. Debtors:

	1991/92	1992/93
Government Grants	17,542	24,995
Ratepayers	1,815	10,571
Housing Rents	2,757	1,160
Sundry Debtors	178,429	212,401
European Commission	-	171,541
	<u>200,543</u>	<u>420,668</u>
Less provision for doubtful debts	(4,000)	(35,660)
	<u>196,543</u>	<u>385,008</u>

6. Bank Balance

	1991/92	1992/93
Current Account	252,701 O/D	492,998 O/D
Business Account	260,490	131,333
Total	<u>7,789</u>	<u>361,665 O/D</u>

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:

	1991/92	1992/93
Sundry Creditors	313,217	230,876
Amount due to Collection Fund	4,955	9,501
Government Grants overpaid	52,877	19,277
Ratepayers	329	1,435
Housing Rents	830	682
Other	329	1,460
	<u>372,537</u>	<u>263,231</u>

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

	1991/92	1992/93
Maturing in one year	265	342
Maturing in 1-2 years	258	428
Maturing in 2-5 years	1,289	1,094
Maturing in 5-10 years	629	784
Maturing in more than 10 years	18	10
	<u>2,459</u>	<u>2,658</u>

All loans are borrowed from the Public Works Loan Board. Interest rates range from 3% to 13.5% with an average rate of 10.017%.

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>	1991/92 £'000s	1992/93 £'000s
Unused at 1 April	129	131
New usable receipts received in year	<u>11</u>	<u>10</u>
	140	141
Used in year for capital purposes	- 8	-
Voluntary provision for Loan repayments	- 1	-
Unused at 31 March	<u>131</u>	<u>141</u>
(b) <u>Provision for Credit Liabilities</u>		
Balance at 1 April	318	987
Adjustment re: previous year	50	-
Reserved receipts in year	31	28
Voluntary provision made by Usable Capital Receipts	1	1
Revenue Provision - Minimum	136	131
- Voluntary	48	30
ERDF Grants	<u>612</u>	<u>171</u>
	1196	1348
Less external loans repaid	209	277
Balance at 31 March	<u>987</u>	<u>1071</u>
(c) <u>Provision for Capital Discharged</u>		
Balance at 1st April	43	19
Revenue Provisions and other	<u>185</u>	<u>161</u>
	228	180
Less External Loans repaid	<u>209</u>	<u>277</u>
Balance at 31 March	DR: <u>19</u>	<u>97</u>

11. PROVISIONS

	1991/92 Year End	+	-	1992/93 Year End
REPAIR FUNDS	212,056	43,850	54,905	201,001
PLANT FUND	63,635	45,639	-	109,274
WATER REPAIR FUND	54,293	4,830	5,698	53,425
SEWERAGE REPAIR FUND	16,959	1,530	-	18,489
EQUIPMENT FUNDS	34,115	6,660	-	40,775
ON COST ACCOUNT	1,472	3,330	-	4,802
	<u>382,530</u>	<u>105,839</u>	<u>60,603</u>	<u>427,766</u>

12. RESERVES

	1991/92 Year End	Transfer from General Fund	Transfer to General Fund	1992/93 Year End
Capital	156,377	17,400	-	173,777
Airport	89,582	20,720	(37,304)	72,998
	-----	-----	-----	-----
	245,959	38,120	(37,304)	246,775
	-----	-----	-----	-----

13. TRUST FUNDS

Includes the Richard Addison Trust Monies (£79,261), which is not under direct control of the Authority but held under Trust for the Well Being of the Old People of the Islands.

14. CONTINGENT LIABILITY

A claim of unfair dismissal has been made by a former employee. No value can be placed on any potential liability in this respect.

SECTION H:

CONSOLIDATED STATEMENT OF REVENUE AND CAPITAL MOVEMENTS

<u>1991/92</u>	<u>Revenue Expenditure</u>	<u>1992/93</u>
1,180,788	Employees	1,449,920
270,061	Interest/Leasing Charges	299,537
1,544,012	Other Operational Costs	1,861,044
121,947	Housing Benefits	132,169
3,116,808		3,742,670
-----		-----
	<u>Capital Expenditure</u>	
1,670,418	Fixed Assets	949,076
-	Deferred Charges	49,245
-	Long Term Investments	-
1,670,418		998,321
-----		-----
4,787,226	<u>Total Revenue and Capital Expenditure</u>	4,740,991

	<u>Revenue Income</u>	
1,672,571	Grants(1)	1,974,467
174,973	Rents	199,812
203,345	Interest	174,067
1,083,703	Other	680,656
756,433	Collection Fund	774,311
-----		-----
3,891,025		3,803,313
-----		-----
	<u>Capital Income</u>	
42,271	Sale of Assets	37,454
1,315	Repayment of Advances	1,411
	ERDF Grants	171,541
	Commutation grant	323,896
-----		-----
43,586		534,302
-----		-----
3,934,611	<u>Total Revenue and Capital Income</u>	4,337,615
-----		-----
852,615	<u>Shortfall Income over Expenditure</u>	403,376
=====		*****
	<u>FINANCED FROM</u>	
	Net change in long-term borrowing	190,861
1,190,583	Net change in short-term borrowing	(234,000)
175,000		(35,139)
1,365,853		-----
-----		-----
	Changes in other short-term items	
210,522	Creditors & Receipts in Advance	(86,991)
70,723	Debtors	(53,785)
(1,275)	Stocks	(43,326)
357	Provisions/Reserves	255,047
(790,862)	Cash at Bank	369,454
1,260	Cash	(1,084)
(3,963)	Suspense Balances	-
(513,238)		438,515
-----		-----
852,615		403,376
=====		*****
		0
Note 1	<u>GRANTS RECEIVED</u>	
	Revenue Support Grant	1,684,717
	GEST	40,088
	Rent Allowances	62,545
	Mandatory Awards	101,906
	Other	85,211

		1,974,467

SECTION I COLLECTION FUND

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 1993	1991/92	1992/93	Notes
Income from Community Charge	211,925	243,694	1
Income from Non-Domestic Rates	545,764	530,617	2
Government Grants	1,432,546	1,686,221	3
Net Interest Earned on Cash Balances	7,055	5,800	4
TOTAL INCOME	2,197,290	2,466,332	
Precepts and Demands	2,185,480	2,451,780	
Amounts written off as uncollectable	1,256	5	
TOTAL EXPENDITURE	2,186,736	2,451,785	
Increase in Fund Balance for the year	10,554	14,547	
Balance brought forward	85,248	95,802	
Balance carried forward	95,802	110,349	

1991/92	Collection Fund Balance Sheet as at 31 March 1993	1992/93
	Current Assets	
	Debtors (Net of Provision for Bad Debts):	
21,799	Non-Domestic Rate Arrears	29,789
1,666	Community Charge Arrears	2,284
23,859	Contributions due from NNDR Pool	98,717
48,362	Community Charge Reduction Grant due from the Govt.	1,757
4,955	Temporary Loan to General Fund	9,501
100,641		142,048
	Current Liabilities:	
	Creditors:	
4,545	Non-Domestic Rate Prepayments	31,699
294	Community Charge Prepayments	-
4,839		31,699
95,802	Net Assets	110,349
95,802	Fund Balance carried forward	110,349

Note 1. Community Charge

The Council set a Personal charge of £120 per head (£105 in 1992/93) of its relevant population for Community Charge purposes. The various types of charges were as follows:

	<u>1992/93</u>	<u>1991/92</u>
Personal Charge (£120 x appx population 1500)	175,458	155,321
Standard Charge (relates to second homes)	58,987	48,266
Collective Charge (levied on hotels, etc)	<u>9,249</u>	<u>8,338</u>
Total Income from Community Charge	<u>243,694</u>	<u>211,925</u>
Billed to Chargepayers	232,443	201,793
Community Charge Benefits payable from the General Fund	11,251	10,132
	<u>243,694</u>	<u>211,925</u>

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 40.2p in the £ (38.6p in 1991/92). The total amount, less any reliefs granted, is then paid to a central pool. The Government redistributes the sums paid into the Pool back to authorities on the basis of a fixed amount per head of population. The NNDR income of £530,617 included in the Collection Fund represents this Council's share of the Pool. The amounts collected on behalf of the Government can be analysed as follows:-

	1992/93 £	1991/92 £
RV (1.37m x 40.2p)	549,397	551,633
Less: adjustments	(154,447)	(122,600)
	<u>394,950</u>	<u>429,033</u>
Redistribution from the pool	135,667	116,731
Net income to the Fund	<u>530,617</u>	<u>545,764</u>

Note 3. Government Grants

The following grants from the Government are received directly into the Collection Fund and are intended to reduce the Community Charge liabilities of all chargepayers.

	<u>1992/93</u>	<u>1991/92</u>
Revenue Support Grant	1,680,548	1,148,641
Additional Grant (as L.E.A.)	4,169	-
Community Charge General Reduction Grant	1,504	283,905
	<hr/>	<hr/>
	1,686,221	1,431,546
	<hr/>	<hr/>

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	6,720
Interest payable to General Fund	920
	<hr/>
	5,800
	<hr/>

SECTION J: TREASURER'S CERTIFICATE:

The foregoing pages include the relevant Statement of Accounts for the year ending 31st March 1993 prepared in accordance with the Accounts and Audit Regulations 1983.

B. R. Archer

B. R Archer

9th November 1993

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 1993 in accordance with Part III of the Local Government Finance Act 1982 and the Code of Audit Practice.

The revenue account totals cannot be reconciled with the supporting records, the differences are £740 on expenditure and £220 on income.

Subject to the above, in my opinion the statement of accounts on pages 5 to 24 presents fairly the financial position of the authority at 31st March 1993 and its income and expenditure for the year then ended.



J N Edwards
District Auditor

21st December 1993.