



**BOROUGH OF DOUGLAS
ABSTRACT OF ACCOUNTS
YEAR ENDING
31ST MARCH 2003**



DOUGLAS BOROUGH COUNCIL – ABSTRACT OF ACCOUNTS

YEAR ENDED 31st MARCH 2003

EXPLANATORY FOREWORD AND STATEMENT OF RESPONSIBILITY

The Council's Abstract of Accounts for the year ended 31st March, 2003 is set out on pages 1 to 19. Brief notes at the head of each page explain the function of these accounts, which consist of:-

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1. It is the responsibility of the Council to prepare accounts for each financial year in accordance with the Audit Act 1983. It is confirmed that suitable accounting policies have been selected and consistently applied and proper accounting practices observed. This accords with the regulations made under the Audit Act 1983 and all other applicable enactments. The Council is responsible for ensuring proper accounting records are maintained.
2. During the year, net revenue expenditure on services funded from the General Rate Fund amounted to some £6.492M with rate income of £6.434M. This gave a deficit of £0.057M to reduce the General Rate Fund working balance. At the close of the year the working balance stood at £3.041M. During the previous year, expenditure amounted to £5.763M, with £0.215M added to balances.
3. Capital expenditure of £9.064M was undertaken during the year, much of which related to public sector housing, the construction of a new multi-storey car park at Shaws Brow, development of the new Lawn Cemetery, and various amenity schemes. This compared to £4.777M in the previous financial year.
4. Government Grants to aid services and Agencies run by the Council amounted to some £2.207 during the year (£1.834M in 2001/2002).

D W CHRISTIAN JP
CHAIRMAN OF POLICY AND RESOURCES COMMITTEE
26th September 2003

G M BOLT, CPFA.
BOROUGH TREASURER
26th September 2003

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DOUGLAS BOROUGH COUNCIL – ABSTRACT OF ACCOUNTS

YEAR ENDED 31st MARCH 2003

INDEPENDENT AUDITOR'S REPORT

Report of the Independent Auditors, KPMG Audit LLC, to the Mayor and Councillors of Douglas Borough Council for the year ended 31st March 2003.

We have audited the Abstract of Accounts on pages 3 to 19.

Respective Responsibilities of the Borough Council and Auditors:-

As described on page 1 the Council is responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of Opinion:-

We have conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the accounts, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

We have 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 accounts are free from material misstatement, whether caused by fraud or other irregularity of error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion:-

In our opinion the accounts for the year ended 31st March 2003 have been prepared in accordance with the Accounts and Audit Regulations 1984 made under the Audit Act 1983 and comply with all other enactments applicable to the accounts and proper accounting practices have been observed in their compilation.

12th December 2003
Douglas

KPMG Audit LLC
Chartered Accountants

DOUGLAS BOROUGH COUNCIL – ABSTRACT OF ACCOUNTS

YEAR ENDED 31st MARCH 2003

STATEMENT OF ACCOUNTING PRINCIPLES

1. General Principles

These accounts have been prepared in accordance with the requirements of the Accounts and Audit Regulations 1984 made under the Audit Act 1983, and the historical costs convention.

2. Basis of Inclusion of Debtors and Creditors in the Accounts

Revenue account transactions are accounted for on an accruals basis. In the case of payroll costs these are included on the basis of complete pay periods, which fall within the financial year. All known income is recorded when the debt is established together with an estimate of other large sums due but not established at the year end. Rental income for the Council's housing stock is recorded on the same basis as payroll costs. Expenditure is accrued for sums due but not paid at the end of the year.

Capital transactions are recorded on a receipts and payments basis and do not therefore include any accrual for the cost of work carried out but not paid for at 31st March 2003.

3. Reserves, Provisions, Contingent Liabilities and Deferred Charges

A number of renewal and reserve funds are maintained within the Council's accounts. Sums are provided for the renewal of vehicles and plant based upon the estimated cost of replacement at the end of their estimated life. In other cases, reserve funds are maintained to finance unforeseen costs of asset repair. There are no known contingent liabilities except in relation to claims covered by the Council's insurance. There are deferred charges outstanding, which relate to the loan debt on both the Villa Marina Complex (being a former Council asset, which was acquired by the Government in 2000) and the Drainage infrastructure assets (also transferred to the Government as part of the Sewerage Act 1999). The outstanding balances are reduced each year by the amount of loan repayments, which are a charge upon the General Rate Fund.

4. Provision for the Redemption of Debt

The Council administers a Loans Pool into which loans raised are paid and from which sums are advanced to the various services in order to finance capital expenditure and long term outlay. The source is mainly mortgage bonds. Provision for the redemption of debt has been made in accordance with statutory borrowing powers. Provision for repayment of these liabilities is on the basis of sinking fund calculations with an annual accumulation currently set at 5%. Repayments with interest on the balance of principal outstanding are charged to the appropriate revenue accounts. During the current year, the average rate of interest amounted to 6.4%.

5. Capital Expenditure

Property and permanent works are recorded at cost. In the case of other long term outlay, these items are written down each year by the relevant amount of loan repayment. Capital contributions which have been received in respect of capital schemes are retained in the capital accounts, and loans raised to finance the net cost.

6. Valuation of Investments

Investments are recorded at the lower of cost or net realisable value.

7. Provision for Bad Debts

A provision for bad debts is provided in these accounts amounting to £385,700

DOUGLAS BOROUGH COUNCIL – ABSTRACT OF ACCOUNTS

YEAR ENDED 31st MARCH 2003

STATEMENT OF ACCOUNTING PRINCIPLES (CONTINUED)

8. Depreciation Provisions

There is no provision for depreciation in these accounts. However, all loan repayments in respect of capital assets are charged to the appropriate revenue account.

9. Stocks and Stores

The bulk of stocks and stores holdings are recorded on the basis of average costs. A minority of the holdings are recorded on the basis of either net realisable value or actual cost.

10. Matching and Consistency Concepts

Whilst every effort is made to include a full year's expenditure in each financial year, the timing of some regular payments is such that the year's expenditure will not exactly correspond with the same yearly period as the financial accounts. Payroll costs included in the accounts relate to the completed earning periods (monthly and weekly), which fall between 1st April 2002 and 31st March 2003. Similarly, weekly rental income relates to the completed rental weeks in the financial year.

11. Leased Assets

Assets acquired by means of finance leases and the matching obligations due to lessors are written down each year in accordance with the 'Rule of 78' method. There were no assets acquired during the year funded from Lease payment. Rentals paid in the year amounted to £70,139 and the sum of £284,377 was outstanding at the end of the year.

DOUGLAS BOROUGH COUNCIL – ABSTRACT OF ACCOUNTS

YEAR ENDED 31st MARCH 2003

SUMMARY REVENUE ACCOUNTS

The revenue accounts of the Council record the costs of staffing, running expenses and capital financing costs, together with associated income of the various services. These are grouped over the various Committees, which are responsible for carrying out the services and are summarised in the table which follows:-

2001/2002 Net Cost £	Committee and Service	Estimate £	Cost £	2002/2003 Income £	Net Cost £
PUBLIC HEALTH AND HOUSING COMMITTEE					
-	Housing Maintenance	-	1,394,734	(1,394,734)	-
27,423	Cemetery & Crematorium Admin	33,600	19,854	(150)	19,704
134,010	Cemetery	137,130	166,569	(24,579)	141,990
32,886	Crematorium	18,110	287,308	(235,731)	51,577
38,059	Lawn Cemetery	134,580	88,772	-	88,772
3,670	Market	(16,960)	51,961	(54,173)	(2,212)
-	Housing Service	-	5,488,645	(5,488,645)	-
-	Sheltered Accommodation	-	177,336	(177,336)	-
604,044	Public Health & Housing Admin	450,950	925,869	(283,165)	642,704
(72,680)	Commercial Property	(80,520)	39,395	(119,928)	(80,533)
<u>767,412</u>		<u>676,890</u>	<u>8,640,443</u>	<u>(7,778,441)</u>	<u>862,002</u>
PUBLIC WORKS COMMITTEE					
76,878	Building Regulations	66,330	195,649	(160,721)	34,928
3,306	Derelict Buildings	14,630	34,053	(2,893)	31,160
(205,100)	Car Parks	(287,860)	703,972	(765,359)	(61,387)
-	Drainage - Maintenance Agency	-	643,336	(643,336)	-
185,921	Decorative Lighting	260,070	243,551	-	243,551
-	Electrical Services Admin	-	84,437	(84,437)	-
586,981	Public Lighting	612,790	608,584	(100)	608,484
58,130	Engineering Misc Works	69,150	79,904	(4,576)	75,328
23,972	Dogs Act	45,280	25,663	-	25,663
29,019	Promenade and Foreshore	15,750	33,820	(24)	33,796
46,721	Depots	83,770	166,073	(166,073)	-
1,229	Fleet & Garage Operation	104,150	767,751	(767,751)	-
603	Stores	-	507,361	(513,599)	(6,238)
17,704	Beach Cleaning	49,770	55,495	(3,850)	51,645
77,358	Public Conveniences	156,620	116,322	(5)	116,317
868,342	Refuse Collection	999,000	1,008,305	(147,798)	860,507
(8,435)	Street Cleaning Agency	-	745,335	(741,220)	4,115
1,323	Street Cleaning Amenity	30,170	15,889	-	15,889
328,903	Public Works Admin	266,930	322,827	-	322,827
<u>2,092,856</u>		<u>2,486,550</u>	<u>6,358,327</u>	<u>(4,001,742)</u>	<u>2,356,585</u>

DOUGLAS BOROUGH COUNCIL – ABSTRACT OF ACCOUNTS

YEAR ENDED 31st MARCH 2003

SUMMARY REVENUE ACCOUNTS (CONTINUED)

2001/2002 Net Cost £	Committee and Service	Estimate £	Cost £	2002/2003 Income £	Net Cost £
LEISURE SERVICES COMMITTEE					
214,167	Library	226,450	498,522	(8,393)	490,129
281,183	Leisure Services Admin	384,270	394,098	(135)	393,963
4,780	Douglas Head	57,010	2,601	-	2,601
410	Finch Hill	910	1,535	(1,145)	390
67,203	King George V Park	41,670	69,085	(14,402)	54,683
52,919	Loch Promenade	62,870	43,305	-	43,305
-	National Sports Centre	-	15,390	(15,390)	-
176,634	Nobles Park	269,160	328,819	(80,281)	248,538
32,326	Nobles Park TT Temp Campsite	53,540	39,322	(32,586)	6,736
220,259	Nursery	238,130	243,204	(9,641)	233,563
375,313	Other Parks & Gardens	408,540	376,442	(22,397)	354,045
10,697	Leisure Services Miscellaneous	27,540	15,112	(2,587)	12,525
95,682	Douglas Golf Course	96,510	253,509	(204,440)	49,069
45,554	Summer Hill Glen	44,920	37,855	-	37,855
179,379	Horse Trams	227,580	257,334	(85,782)	171,552
1,756,506		2,139,100	2,576,133	(477,179)	2,098,954

POLICY AND RESOURCES COMMITTEE

29,053	Support Services	618,550	1,117,258	(1,048,484)	68,774
-	Central Admin & Secretarial	(300,940)	293,912	(293,912)	-
26,777	Hackney Licences	-	-	-	-
66,603	Civic and Public	105,250	194,249	-	194,249
151,849	Corporate Management	147,940	171,631	-	171,631
5,507	Elections	24,190	6,939	-	6,939
335,466	Policy & Resources Misc.	352,980	423,825	(30,761)	393,064
106,746	Douglas Dev't Partnership	94,080	141,946	(11,815)	130,131
(68,909)	Financial Provisions	(438,000)	159,115	(335,608)	(176,493)
318,965	Policy & Resources Admin	510,870	247,864	(8,902)	238,962
56,333	Information & Public Relations	22,130	33,232	-	33,232
38,651	Civic Property & Projects	20,800	33,430	(16)	33,414
2,060	St Georges Churchyard Fund	2,170	23,792	(1,792)	22,000
12,078	Bus Station - Residual Costs	1,930	-	-	-
65,198	Villa Marina - Residual Costs	64,180	58,112	-	58,112
-	Rechargeable - TT & Events	-	137,367	(137,367)	-
-	IOM LG Pension Admin	-	192,601	(192,601)	-
1,146,377		1,226,130	3,235,273	(2,061,258)	1,174,015

DOUGLAS BOROUGH COUNCIL – ABSTRACT OF ACCOUNTS

YEAR ENDED 31st MARCH 2003

SUMMARY REVENUE ACCOUNTS (CONTINUED)

2001/2002 Net Cost £	Committee and Service	Estimate £	Cost £	2002/2003 Income £	Net Cost £
SUMMARY OF COMMITTEES					
767,412	Public Health and Housing	676,890	8,640,443	(7,778,441)	862,002
2,092,856	Public Works	2,486,550	6,358,327	(4,001,742)	2,356,585
1,756,506	Leisure Services	2,139,100	2,576,133	(477,179)	2,098,954
1,146,377	Policy and Resources	1,226,130	3,235,273	(2,061,258)	1,174,015
<u>5,763,151</u>		<u>6,528,670</u>	<u>20,810,176</u>	<u>(14,318,620)</u>	<u>6,491,556</u>

DOUGLAS BOROUGH COUNCIL – ABSTRACT OF ACCOUNTS

YEAR ENDED 31st MARCH 2003

GENERAL RATE FUND

The following statement summaries the transactions on the General Rate Fund for the year, incorporating the expenditure for the several Committees with the rate income and balances held.

2001/2002		2002/2003	
Actual		Estimate	Actual
£		£	£
5,763,151	Net expenditure	6,528,670	6,491,556
<u>(5,978,638)</u>	Rate income for the year	<u>(6,370,600)</u>	<u>(6,434,347)</u>
<u>(215,487)</u>	Balance movement during year	<u>158,070</u>	<u>57,209</u>
(2,882,443)	Surplus in hand brought forward	(2,867,460)	(3,097,929)
<u><u>(3,097,929)</u></u>	Surplus in hand carried forward	<u><u>(2,709,390)</u></u>	<u><u>(3,040,720)</u></u>

RATE INCOME

Details of the amount raised from rates are shown in the table which follows. During 2002/03 the income a penny rate generated increased by some 1.53% compared to the previous year. Statutory allowances to the sum of £112,181 were given in 2002/2003 in respect of part year liability, charitable relief, etc., which amounted to 1.6% of the amount due.

2001/2002		2002/2003		
£		£	£	£
458,663	Rate arrears at the beginning of the year			412,224
6,111,378	Rates levied (250.00p for 2001/2002)	265.00p	6,546,528	
<u>(132,740)</u>	Less statutory allowances		<u>(112,181)</u>	
5,978,638	Net proceeds to General Rate Fund			6,434,347
6,437,301	Total due from ratepayers			6,846,571
	Less:			
(5,831,495)	Net cash received	(6,248,227)		
<u>(193,582)</u>	Discounts Granted	<u>(207,951)</u>		
<u>(6,025,077)</u>	Total credits			<u>(6,456,178)</u>
<u>412,224</u>	Rate arrears at year end			<u>390,393</u>
<u><u>23,915</u></u>	Product of a Penny Rate			<u><u>24,281</u></u>

DOUGLAS BOROUGH COUNCIL – ABSTRACT OF ACCOUNTS

YEAR ENDED 31st MARCH 2003

GENERAL RATE FUND BALANCE SHEET

As At 31st March 2002 £		£	£	As At 31st March 2003 £
9,791,871	Fixed Assets (see note)			11,707,187
431,704	Deferred Charges (see note)			2,162,764
103,616	Long Term Investments			104,585
<u>10,327,191</u>	Total Long Term Assets			<u>13,974,536</u>
	Current Assets			
182,817	Stocks	213,385		
2,280,484	Debtors	3,233,253		
8,751,909	Cash In Hand	<u>8,132,909</u>		
<u>11,215,210</u>	Total Current Assets		11,579,547	
	Less Current Liabilities			
(1,362,199)	Creditors/receipts in advance	(1,534,510)		
(391,885)	Cash Overdrawn	<u>(620,128)</u>		
<u>(1,754,084)</u>	Total Current Liabilities		(2,154,638)	
<u>9,461,126</u>	Net Current Assets			<u>9,424,909</u>
<u>19,788,317</u>	NET ASSETS			<u>23,399,445</u>
	Financed by			
5,585,428	Long Term Borrowing			10,809,611
267,956	Finance Leases			284,377
793,058	Capital Receipts Unapplied			636,762
4,414,226	Capital Discharged			2,772,888
5,629,717	Specific Reserves			5,855,087
3,097,932	Revenue Balances			<u>3,040,720</u>
<u>19,788,317</u>	TOTAL EQUITY			<u>23,399,445</u>

Note

Following the Sewerage Act 1999, the Council's drainage infrastructure assets were transferred to the Isle of Man Government. During the 2002/2003 financial year, £4.37M of drainage infrastructure assets were written down from the Council's fixed assets. The outstanding balance of £1.74M on loan debt relating to the financing of those drainage assets was transferred to the deferred charges figure. The outstanding balance is reduced each year by the amount of loan repayments, which are a charge into the General Rate Fund and recovered from the Department of Transport as part of the Drainage Agency.

D W CHRISTIAN JP
CHAIRMAN OF POLICY AND RESOURCES COMMITTEE
26th September 2003

G M BOLT, CPFA.
BOROUGH TREASURER
26th September 2003

DOUGLAS BOROUGH COUNCIL – ABSTRACT OF ACCOUNTS

YEAR ENDED 31st MARCH 2003

HOUSING REVENUE ACCOUNT

The transactions in respect of public sector housing are summarised in the following table. The overall deficit on the account is met by the Isle of Man Government, subject to compliance by the Council with the all-Island housing financial plan.

2001/2002		2002/2003
£		£
1,159,965	Allowance transferred to Housing Repairs Fund	1,393,437
732,421	Borough and water rates	842,100
63,496	Architectural services	57,864
148,612	Ballanard & Waverley Court operating expenses	174,463
2,640,408	Loan charges	2,515,504
197,036	Administration allowance	210,668
19,123	Transfer to Housing Community Facilities Reserve Fund	25,229
4,961,061	Total costs	5,219,265
(4,433,892)	Less inclusive rental income	(4,766,289)
527,169	Deficit, met by Government Grant	452,976

HOUSING ACCOUNT RESERVES

The Council maintains the reserve funds shown in the table below in accordance with the provisions of Government Housing Policy. In the case of the Housing Repairs Fund, this is funded by an annual transfer from the Housing Revenue Account of an amount equal to one third of net rent income. The Housing Community Facilities Reserve Fund, which meets the cost of various facilities provided within the sheltered housing accommodation complexes, is funded on the basis of 10% of sheltered housing accommodation rents receivable. The Funds Income includes interest on their opening balances.

	Fund	Income	Expended	Balance in hand
At 31.3.02		In Year	In Year	At 31.3.03
£		£	£	£
(192,670)	Housing Repairs	(1,403,471)	1,381,107	(215,034)
(222,192)	Community Facilities Reserve	(38,973)	6,491	(254,674)
(414,862)	Total Housing Reserves	(1,442,444)	1,387,598	(469,708)

DOUGLAS BOROUGH COUNCIL – ABSTRACT OF ACCOUNTS

YEAR ENDED 31st MARCH 2003

HOUSING ACCOUNT BALANCE SHEET

As At 31st March 2002				As At 31st March 2003
£		£	£	£
34,704,988	Fixed Assets			37,370,369
34,704,988	Total Long Term Assets			37,370,369
	Current Assets			
109,259	Debtors	99,489		
228,677	Cash In Hand	735,808		
337,936	Total Current Assets		835,297	
	Less Current Liabilities			
(128,147)	Creditors and receipts in advance	(362,356)		
(128,147)	Total Current Liabilities		(362,356)	
209,789	Net Current Assets			472,941
34,914,777	NET ASSETS			37,843,310
	Financed by			
24,784,291	Long Term Borrowing			26,801,171
414,862	Reserves (see page 10)			469,708
9,715,624	Capital Discharged			10,572,431
34,914,777	TOTAL EQUITY			37,843,310

D W CHRISTIAN JP
CHAIRMAN OF POLICY AND RESOURCES COMMITTEE
26th September 2003

G M BOLT, CPFA.
BOROUGH TREASURER
26th September 2003

DOUGLAS BOROUGH COUNCIL – ABSTRACT OF ACCOUNTS

YEAR ENDED 31st MARCH 2003

CAPITAL ACCOUNTS

The capital accounts of the Council record the expenditure incurred in the provision of assets and other long term outlay. These items are generally financed by loans in the form of mortgage bonds or by the use of internal balances. Provision for repayment of these liabilities is on the basis of sinking fund calculations with annual accumulation currently set at 5%. Repayments, with interest on the balance of principal outstanding, are charged to the appropriate revenue accounts. During the current year the average rate of interest amounted to 6.4%.

CAPITAL EXPENDITURE FINANCING

2001/2002		2002/2003
£		£
	Capital Expenditure	
3,471,666	Public Health and Housing Committee Schemes	3,700,654
773,280	Public Works Committee Schemes	4,777,941
133,723	Leisure Services Committee Schemes	211,645
398,156	Policy and Resources Committee Schemes	373,821
<u>4,776,825</u>	Total capital expenditure	<u>9,064,061</u>
	Capital Income	
(4,335,005)	Advanced from loans pool during the year	(8,467,411)
(476,773)	Financed by capital receipts, reserves, grants, revenue and lease	(942,367)
<u>(4,811,778)</u>	Total capital income in the year	<u>(9,409,778)</u>
(34,953)	Decrease in expenditure financed by internal loans in year	(345,717)
385,556	Capital cash overdrawn at the start of the year (internal loans)	350,603
<u>350,603</u>	Balance of capital expenditure financed by internal loan	<u>4,887</u>

STATEMENT OF CAPITAL ASSETS AND OTHER LONG TERM OUTLAY

2001/2002		2002/2003
£		£
	Balances at the beginning of the year	
31,340,463	Housing Property	34,704,988
1,578,399	Other Land & Buildings	2,336,482
4,778,700	Fixed plant	5,189,318
2,542,513	Plant & Vehicles	2,552,908
<u>40,240,075</u>	Total at beginning of the year	<u>44,783,696</u>
4,776,825	Additions during the year	9,064,061
(233,204)	Written down/back during year	(4,483,363)
<u>44,783,696</u>	Balance at year end	<u>49,364,394</u>

DOUGLAS BOROUGH COUNCIL – ABSTRACT OF ACCOUNTS

YEAR ENDED 31st MARCH 2003

CAPITAL ACCOUNTS (Continued)

LOANS POOL FUNDING

2001/2002		2002/2003	
£		£	£
8,869,176	Balance overdrawn at year beginning		9,627,783
	Sums invested by lenders during the year		
(5,197,202)	Renewals	(3,259,653)	
	New bonds	(6,900,620)	
<u>(5,197,202)</u>	Total invested		(10,160,273)
<u>(1,154,329)</u>	Repayments from borrowing accounts		(1,271,296)
	Repaid to lenders during the year		
5,197,202	Renewals	3,259,653	
877,930	Other maturities / repayments	1,188,512	
<u>6,075,132</u>	Total repaid during the year		4,448,165
	Loaned to borrowing accounts during the year		
1,098,704	General Rate Fund	5,601,535	
6,728	Tramways Account	-	
3,229,573	Housing Account	2,865,876	
<u>4,335,005</u>	Total loaned during the year		8,467,411
	External investments during the year		
11,466,000	Loaned out	20,450,000	
(14,766,000)	Repaid	(22,100,000)	
<u>(3,300,000)</u>	Net loaned out / (repaid) during year		(1,650,000)
<u><u>9,627,783</u></u>	Balance overdrawn at year end		<u><u>9,461,790</u></u>

DOUGLAS BOROUGH COUNCIL – ABSTRACT OF ACCOUNTS

YEAR ENDED 31st MARCH 2003

LOANS POOL BALANCE SHEET

As At 31st March 2002 £		As At 31st March 2003		
£		£	£	£
30,581,544	Long Term Assets			
6,550	Loans Fund Advances	37,777,658		
<u>30,588,094</u>	Long Term Investments	<u>6,550</u>		
	Total Long Term Assets			<u>37,784,208</u>
	Current Assets			
19,254	Debtors	1,152		
<u>2,400,000</u>	Short term Investments	<u>750,000</u>		
<u>2,419,254</u>	Total Current Assets		751,152	
	Less Current Liabilities			
(479,584)	Creditors	(483,175)		
<u>(9,167,453)</u>	Cash Overdrawn	<u>(8,988,717)</u>		
<u>(9,647,037)</u>	Total Current Liabilities		<u>(9,471,892)</u>	
(7,227,783)	Net Current Liabilities			(8,720,740)
<u><u>23,360,311</u></u>	NET ASSETS			<u><u>29,063,468</u></u>
	Financed By			
<u>23,360,311</u>	Loans Outstanding			<u>29,063,468</u>
<u><u>23,360,311</u></u>	TOTAL EQUITY			<u><u>29,063,468</u></u>

D W CHRISTIAN JP
CHAIRMAN OF POLICY AND RESOURCES COMMITTEE
26th September 2003

G MBOLT, CPFA.
BOROUGH TREASURER
26th September 2003

DOUGLAS BOROUGH COUNCIL – ABSTRACT OF ACCOUNTS

YEAR ENDED 31st MARCH 2003

GENERAL RATE FUND RESERVES

The Council maintains a number of reserve funds to make provision for meeting the future costs of various items. These are summarised in the table below. The funds are operated under the provisions of the Local Government Act 1985. Contributions are made to the funds on the basis of either a lump sum or the costs of the asset in question. The funds income includes interest on their opening balances. Expenditure as approved by the Council is charged to these funds. In the case of the reserve fund held for the maintenance of graves in perpetuity and Library bequests, sums received are invested in mortgage bonds. Interest earned is credited directly to the Cemetery and the Library services.

Balance In Hand At 31.3.02 £	Fund	Income In Year £	Expended In Year £	Balance In Hand At 31.3.03 £
(3,137,325)	Plant Renewals	(383,997)	112,299	(3,409,023)
(304,210)	Cremator Renewals	(52,624)	16,623	(340,211)
(480)	Bequests	-	-	(480)
(359,410)	Special Works	(322,462)	423,727	(258,145)
(503,026)	Provision for Derelict Buildings	(26,199)	-	(529,225)
(168,210)	Wheeled Bins	(8,761)	-	(176,971)
(170,280)	Building Maintenance (Commercial)	(20,396)	-	(190,676)
(304,754)	Community Projects/Env'tal Impact	(15,873)	37,673	(282,954)
(293,321)	Information Technology	(15,277)	86,993	(221,605)
(89,974)	Health And Safety	(4,686)	-	(94,660)
(12,775)	St. George's Churchyard	(22,665)	1,793	(33,647)
(103,135)	Graves Maintenance	(970)	-	(104,105)
(182,817)	Prov'n For Stock And Stores	(30,568)	-	(213,385)
<u>(5,629,717)</u>	Total General Reserves	<u>(904,478)</u>	<u>679,108</u>	<u>(5,855,087)</u>

DOUGLAS BOROUGH COUNCIL – ABSTRACT OF ACCOUNTS

YEAR ENDED 31st MARCH 2003

CONSOLIDATED BALANCE SHEET

This balance sheet summarises the overall position of the Council's finances as at 31st March 2003. All internal debtors and creditors have been eliminated. The Superannuation Fund and the Charity Accounts are not included, and are published separately.

As At 31st March 2002 £		£	£	As At 31st March 2003 £
44,783,697	Fixed Assets		49,364,394	
431,704	Deferred Charges		2,162,764	
6,550	Long Term Investments		<u>6,550</u>	
<u>45,221,951</u>	Total Long Term Assets			51,533,708
	Current Assets			
212,186	Stocks	244,295		
2,400,000	Short Term Investments	750,000		
2,408,997	Debtors	<u>3,333,895</u>		
<u>5,021,183</u>	Total Current Assets		4,328,190	
	Less Current Liabilities			
(1,972,864)	Creditors	(2,381,419)		
(521,644)	Cash Overdrawn	<u>(679,142)</u>		
<u>(2,494,508)</u>	Total Current Liabilities		<u>(3,060,561)</u>	
<u>2,526,675</u>	Net Current Assets			1,267,629
<u>47,748,626</u>	NET ASSETS			<u>52,801,337</u>
	Financed by			
23,256,694	Long Term Borrowing			28,958,884
267,956	Finance Leases			284,377
6,133,945	Reserves (see pages 10, 15, 19)			6,420,357
862,249	Capital Receipts Unapplied			751,680
3,097,932	Revenue Balances			3,040,720
14,129,850	Capital Discharged			13,345,319
	Other Balances			-
<u>47,748,626</u>	TOTAL EQUITY			<u>52,801,337</u>

Notes

1. The Provision for Bad Debts figure is applied to reduce the Debtors balance as at 31 March 2003
2. Debtors include payments in advance while Creditors include receipts in advance.

D W CHRISTIAN JP
CHAIRMAN OF POLICY AND RESOURCES COMMITTEE
26th September 2003

G MBOLT, CPFA.
BOROUGH TREASURER
26th September 2003

DOUGLAS BOROUGH COUNCIL – ABSTRACT OF ACCOUNTS

YEAR ENDED 31st MARCH 2003

CONSOLIDATED STATEMENT OF REVENUE AND CAPITAL MOVEMENTS

This statement consolidates all income and expenditure on both capital and revenue accounts. Internal transfers between accounts have been eliminated.

2001/2002		2002/2003
£		£
	Expenditure	
	Revenue account expenditure	
4,934,402	Employment costs	5,427,721
5,271,284	Other operating costs	6,207,037
<u>2,666,771</u>	Interest and lease payments	<u>2,380,951</u>
12,872,457		14,015,709
	Capital account expenditure	
4,776,825	Fixed assets and other long term investments	<u>9,064,061</u>
<u>17,649,282</u>	Total revenue and capital expenditure	<u>23,079,770</u>
	Income	
	Revenue account income	
(1,833,551)	Government income	(2,206,926)
(1,361,042)	Charges for Goods and Services	(1,459,761)
(4,759,023)	Net Rents	(5,479,027)
(6,024,755)	Net receipts from rates	(6,248,227)
<u>(776,554)</u>	Other income	<u>(632,035)</u>
(14,754,925)	Total revenue income	(16,025,976)
(150,075)	Capital receipts	<u>(76,137)</u>
<u>(14,905,000)</u>	Total revenue and capital income	<u>(16,102,113)</u>
<u>2,744,282</u>	Net expenditure	<u>6,977,657</u>
	Financed by	
(793,424)	Net change in long term borrowing and finance leases	5,718,611
<u>(793,424)</u>		5,718,611
	Net change in short term indebtedness and changes in other current assets and liabilities	
3,300,000	Short Term Investments	1,650,000
40,830	Stocks	(32,109)
(708,288)	Debtors	(924,898)
1,026,954	Creditors	408,555
509	Cash	157,498
<u>(122,299)</u>	Other Balances	<u>1,259,045</u>
3,537,706		1,259,045
<u>2,744,282</u>	Total financing	<u>6,977,656</u>

DOUGLAS BOROUGH COUNCIL – ABSTRACT OF ACCOUNTS

YEAR ENDED 31st MARCH 2003

TRAMWAYS ACCOUNTS

The Council operates a unique transport undertaking in the form of horse drawn trams, which run along the sea-front of Douglas. A summary of the accounts of this operation is shown below.

TRAMWAYS UNDERTAKING - REVENUE ACCOUNT

2001/2002		2002/2003
£		£
	Expenditure	
180,479	Employee Costs	178,540
16,852	Property & Fixed Plant	15,905
14,962	Transport and Plant	14,050
32,184	Supplies	29,867
803	Transfer Payments	-
864	Central Support Services	870
<u>21,170</u>	Capital Finance	<u>19,644</u>
<u>267,314</u>		<u>258,876</u>
	Income	
(81,538)	Traffic receipts	(80,982)
<u>(6,397)</u>	Other income	<u>(6,342)</u>
<u>(87,935)</u>		<u>(87,324)</u>
<u>179,379</u>	Net deficit transferred to	<u>171,552</u>
	General Rate Fund	

DOUGLAS BOROUGH COUNCIL – ABSTRACT OF ACCOUNTS

YEAR ENDED 31st MARCH 2003

TRAMWAYS UNDERTAKING - BALANCE SHEET

As At 31st March 2002 £		£	£	As At 31st March 2003 £
286,838	Fixed Assets			286,838
	Current Assets			
29,369	Stocks	30,911		
57,108	Cash	60,986		
86,477	Total Current Assets		91,897	
	Less Current Liabilities			
(2,934)	Creditors	(1,378)		
(2,934)	Total Current Liabilities		(1,378)	
83,543	Net Current Assets			90,519
370,381	NET ASSETS			377,357
	Financed By			
211,824	Long Term Borrowing			166,877
89,366	Reserves (see below)			95,562
69,191	Capital Discharged			114,918
370,381	TOTAL EQUITY			377,357

TRAMWAYS FUND RESERVES

Balance In Hand At 31.3.02 £	Fund	Income In Year £	Expended In Year £	Balance in hand At 31.3.03 £
(59,997)	Tramways Renewals Fund	(4,654)	-	(64,651)
(29,369)	Provision for Stocks and Stores	(1,542)	-	(30,911)
(89,366)	Total Tramways Reserves	(6,196)	-	(95,562)

D W CHRISTIAN JP
CHAIRMAN OF POLICY AND RESOURCES COMMITTEE
26th September 2003

G M BOLT, CPFA.
BOROUGH TREASURER
26th September 2003

DOUGLAS CORPORATION – ABSTRACT OF ACCOUNTS

YEAR ENDED 31ST MARCH 2003

CHARITY ACCOUNTS

Under the provisions of the Public Charities Act 1922 and the Charities Registration Act 1989, the Corporation stands as trustee for five charities. Their accounts are summarised below:-

2001/02		2002/03					Total	
Total		Allsopp	Percy	Samuel	Samuel	J. K.	Trusts	
Trusts		Trust	Neville	Norris	Norris	Ward	Trust	
£		£	£	£	£	£	£	
Amounts held in trust at start of the year								
1,650	Invested	150	1,200	100	200	-	1,650	
1,307	Cash	12	1,338	-	81	32	1,463	
<u>2,957</u>		<u>162</u>	<u>2,538</u>	<u>100</u>	<u>281</u>	<u>32</u>	<u>3,113</u>	
Transactions during the year								
(166)	Income	(12)	(95)	(9)	(18)	(32)	(166)	
9	Expenditure	24	-	-	-	-	24	
<u>(157)</u>	(Surplus) / Deficit for the year	<u>12</u>	<u>(95)</u>	<u>(9)</u>	<u>(18)</u>	<u>(32)</u>	<u>(142)</u>	
Amounts held in trust at the year end								
1,650	Invested	150	1,200	100	200	-	1,650	
1,463	Cash	-	1,433	9	99	64	1,605	
<u>3,113</u>		<u>150</u>	<u>2,633</u>	<u>109</u>	<u>299</u>	<u>64</u>	<u>3,255</u>	
Represented by Charity accounts								
975	Capital	150	525	100	200	-	975	
2,138	Revenue	-	2,108	9	99	64	2,280	
<u>3,113</u>		<u>150</u>	<u>2,633</u>	<u>109</u>	<u>299</u>	<u>64</u>	<u>3,255</u>	

DW CHRISTIAN, JP
CHAIRMAN OF POLICY AND RESOURCES COMMITTEE
TREASURER
8th July 2003

G M BOLT, CPFA.
BOROUGH

8th July 2003

CHARITY ACCOUNTS – INDEPENDENT AUDITORS' REPORT

For The Year Ended 31st March 2003

DOUGLAS CORPORATION – ABSTRACT OF ACCOUNTS

YEAR ENDED 31ST MARCH 2003

ACCOUNTS UNDER THE CHARITIES REGISTRATION ACT 1989

- 92 Allsopp Trust Account
- 13 Percy Neville Trust Account
- 166 Samuel Norris (Prison) Trust Account
- 165 Samuel Norris (Political)
- 28 J K Ward Trust Account

We have audited the accounts on page C1

This report is made solely to the Trustees, as a body. Our audit work has been undertaken so that we might state to them 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 Charity and the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Council and Auditors

As described on page 2, the Charity's Trustees (Douglas Borough Council) are responsible for the preparation of financial statements in accordance with applicable Isle of Man law and United Kingdom accounting standards. Our responsibilities as independent auditors, are established in the Isle of Man by statute, the Auditing Practices Board and by our profession's ethical guidance.

We have been appointed as auditors and report in accordance with regulations made under Section 11 of the Charities Registration Act 1989. We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the documents constituting the Charity.

Basis of Opinion:-

We have conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the accounts, and of whether the accounting policies are appropriate to the Charities' circumstances, consistently applied and adequately disclosed.

We have 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 accounts 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 accounts.

Opinion:-

In our opinion the accounts give a true and fair view of the state of the Charities' affairs at 31st March 2003 and their surpluses and deficits for the year then ended and comply with the provisions of the documentation constituting the Charities.

15th September 2003
Douglas

KPMG Audit LLC
Chartered Accountants