

FINANCE & RESOURCES COMMITTEE
Report with proposition to Easter Chief Pleas, 11th April 2018

2017 FINANCIAL STATEMENTS

The Finance & Resources Committee presents the Financial Statements of the Island for the year ended 31st December 2017.

Following the amendment to Section 63 of the Reform (Sark) Law, 2008 that received Royal Assent in 2015, the Financial Statements have been reviewed as required, by an independent accountant (practitioner) in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. The Review Report attached is part of the Financial Statements.

The bottom line figure shows that there was a surplus of income over expenditure of £87,769 for 2017 compared with the surplus in 2016 of £101,900. This larger than planned surplus was achieved due to an under-expenditure against budget of £75,861 and revenue income being greater than expected, by £6,161.

Revenue Income

The total revenue received was £1.351 million, £6,161 greater than the budget figure.

The collection of budgeted revenue has otherwise been achieved due mainly to the property transfer tax (PTT) receipts, being up £19,600 on budget although £26,000 less than in 2016. That is offset by Impôt receipts being £9,201 less than planned, but £25,927 more than for 2016, with no rate increases having been applied in 2017.

Direct tax income was very close to prediction, providing over 50% of the total revenue.

Poll tax income was again higher than budget. Another good season produced £2,794 more than budget and in line with 2016, without an increase in the landing fee.

Other variations balance each other, crane and harbour receipts were down, as major building projects drew to a close. Investment income increased and was £8,173 more than budgeted due to interest becoming payable on the loan to the Isle of Sark Shipping Company Limited.

Expenditure

Once again, the total expenditure has been significantly less than was budgeted for, by £75,861, made up of reduced spend across a number of categories. Most categories of expenditure responsibility have underspent against budget.

Actual expenditure was up by £7,733 on the 2016 total, but most Committees with expenditure responsibilities have spent less than budget. Particular exceptions were Procureur costs, over budget by £23,836 due to increased needs.

Underspends by other Committees and Headings were as follows:

- £16,000 by Education, including recruitment of a new teacher.
- £26,000 by the Douzaine
- £9,000 in Salaries
- £12,000 in depreciation, maintenance and running costs of government buildings
- £23,500 by Harbours.
- £4,000 in Health Services.
- Crane expenses including wages were £8,000 under budget.
- Under the Miscellaneous Expenditure heading, the exceptional costs of the Education review were unforeseen, while the costs of the Lieutenant Seneschal were significantly reduced on the previous year, £15,000 under budget, and the Seneschals Court expenses were £2,000 under budget, costs reflecting activity.

2017 Salary and wages costs were increased in line with Guernsey RPI (0.9%) as provided for in the budget.

Surplus for the year

The surplus for the year was £87,769 which adds to the balance of Reserves by the same amount.

Statement of Balances

Additions to tangible assets, less disposals, in the year totalled £64,527 and details can be found in note 22 on pages 12 and 13 of the financial statements. Depreciation provided in the year totalled £28,067.

Investments remained unchanged throughout the year.

Bank balances decreased by £106,895 mainly due to the use of cash reserves to purchase the new crane.

The balance of reserves (the accumulated fund) held at the end of the year was £3,350,123. It is important that the Island retains a substantial amount in reserve in the event of funds being required for such items as unforeseen extraordinary repairs to Island properties, capital expenditure, and to provide services or facilities for the community.

The Finance & Resources Committee is currently reviewing the way in which cash funds are deposited. It has taken the view that deposits should continue to be held in low/zero risk accounts, although these accounts currently pay very low rates of interest, as opposed to higher interest investments which carry a higher risk. Cash funds are currently held in three banks and consideration is being given to moving some funds to a fourth account in order to spread the risk.

Any decision to transfer funds into a new deposit will only be done after due diligence has been carried out and that decision will be reported to Chief Pleas.

In Summary

The £87,769 surplus means that reserves are being gradually increased by significantly underspending in some areas.

The Island Income from taxation and the other sources needs to reflect the cost of maintaining the Island and its infrastructure, as well as providing the services expected of and needed by a modern democratic jurisdiction. If taxes are raised to cover identified needs or obligations, then they should be spent to meet those needs and obligations.

Finance and Resources Committee now has an enhanced mandate to enable more effective engagement with Committees with planning for fulfilling their mandated obligations and more

accurately identifying the funding required to do that. This should result in more efficient and transparent budgeting, which could result in freeing up funds for other essential or desirable work and/or controlling tax raising.

Methods of effectively and fairly raising the revenue needed to provide for these requirements will be continuously reviewed. This is important to allow longer term planning to be introduced, so that improvements when identified as necessary can be properly examined and costed, so that best value for money is achieved. The question of how to fund such improvements can then be properly addressed, whether from reserves, taxation or charges for the service. We can only implement plans when it is clear what they will cost and how we will fund them.

The Financial Statements have been reviewed and the review report is attached. The Accounts have been signed by the Deputy Treasurer and Deputy Chairman of the Committee, with the approval of Finance & Resources Committee and are presented for adoption.

Proposition –

That the Financial Statements of the Island for the year ended 31st December 2017 be adopted.

**Conseiller Sébastien Moerman
Chairman, Finance & Resources Committee**

Island of Sark

Financial statements

31 December 2017

Island of Sark

Statement of responsibilities

Chief Pleas acknowledges that it is responsible for preparing financial statements for each financial year in accordance with The Reform (Sark) Law, 2008 and the accounting policies set out in note 1 to the financial statements. In preparing those financial statements Chief Pleas is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Island of Sark is not a going concern.

Chief Pleas is responsible for the maintenance and integrity of the corporate and financial information included on Chief Pleas' website, and for the preparation and dissemination of financial statements. Legislation in Sark and the Bailiwick of Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Elizabeth Norwich
Deputy Chairman
Sark Finance and Resources Committee

Date: 14/03/18



Lynda Higgins
Deputy Treasurer
on behalf of Chief Pleas

Date: 14/03/2018

Independent Practitioner's Review Report to Island of Sark

Conclusion

We have been engaged by Island of Sark (the "Island") to review the financial statements of the Island, which comprise the statement of balances as at 31 December 2017 and the revenue account for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the financial statements have not been prepared in accordance with the accounting policies set out in note 1, as selected by the Financial Resources Committee of Chief Pleas, and Section 62 of The Reform (Sark) Law, 2008.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2400 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE 2400"). A review of financial statements in accordance with ISRE 2400 is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Chief Pleas' responsibilities

The Chief Pleas are responsible for preparing the financial statements in accordance with the accounting policies set out in note 1 and Section 62 of The Reform (Sark) Law, 2008, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's responsibilities

Our responsibility is to express to the Island a conclusion on the financial statements based on our review, in accordance with ISRE 2400. ISRE 2400 also requires us to comply with relevant ethical requirements.

The purpose of our review report and to whom we owe our responsibilities

This report is made solely to the Island in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the Island those matters we are required to state to it in this 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 Island for our review work, for this report, or for the conclusions we have reached.

KPMG Channel Islands Limited

KPMG Channel Islands Limited
Chartered Accountants, Guernsey
Date: March 14th, 2018

Island of Sark

Revenue account

for the year ended 31 December 2017

	<i>Notes</i>	Year ended 31.12.17 £	<i>Budget estimate year to 31.12.17 £</i>	Year ended 31.12.16 £
Revenue				
Direct tax		742,818	743,000	728,191
Impot	2	308,799	318,000	282,872
Public Works income	1 & 3	60,708	66,000	66,238
Property transfer tax		52,600	33,000	78,600
Poll tax		60,794	58,000	59,979
Harbour income	4	44,365	50,000	47,534
Crane receipts		19,187	17,000	22,826
Isle of Sark Shipping management fee		-	-	10,450
Investment income	5	15,173	7,000	13,393
Constables income	1 & 6	21,294	24,000	21,379
Miscellaneous income	7	25,423	29,000	26,097
		<u>1,351,161</u>	<u>1,345,000</u>	<u>1,357,559</u>
Expenditure				
Education	8	191,471	207,085	200,771
Douzaine	9	164,708	190,493	154,400
Salaries and stipend	10	161,274	170,268	159,941
Repairs and maintenance	11	44,350	62,750	53,135
Public Works expenses	12	69,011	73,000	77,974
Procureur	13	193,836	170,000	158,364
Legal expenses		64,965	67,000	62,733
Tourism	14	89,711	93,674	87,824
Harbours and Shipping	15	47,571	71,116	55,145
Isle of Sark Shipping review and management		-	-	10,450
Insurance and rents		45,128	47,000	45,663
Medical and emergency services	16	45,180	49,047	42,671
Crane expenses		13,803	21,572	13,273
Police, customs and prisons	17	20,294	21,000	20,474
Grants, subsidies, etc	18	17,243	14,414	12,102
Agriculture, Environment and Sea Fisherie	19	7,700	9,775	6,838
Miscellaneous expenditure	20	87,148	112,300	93,901
Budget abatement		-	(41,241)	-
		<u>1,263,392</u>	<u>1,339,253</u>	<u>1,255,659</u>
Surplus for the financial year		<u>£87,769</u>	<u>£5,747</u>	<u>£101,900</u>

Island of Sark

Statement of balances at 31 December 2017

	Notes	2017 £	£	2016 £	£
Assets employed					
Tangible assets	1 & 22	892,419		751,174	
Investments	1 & 23	705,788		705,788	
La Ville Roussel fund	24	99,024		98,687	
Current assets					
Debtors and prepaid expenses		110,783		65,396	
Bank balances		1,678,119		1,785,014	
		<u>1,788,902</u>		<u>1,850,410</u>	
Liabilities falling due within one year					
Creditors		44,765		56,473	
Held for internal organisations		91,245		87,569	
		<u>136,010</u>		<u>144,042</u>	
Net current assets		<u>1,652,892</u>		<u>1,706,368</u>	
Total assets less current liabilities		<u>£ 3,350,123</u>		<u>£ 3,262,017</u>	
Financed by					
Accumulated fund	26	3,251,099		3,163,330	
La Ville Roussel fund	27	99,024		98,687	
Reserves	28	<u>£ 3,350,123</u>		<u>£ 3,262,017</u>	



Elizabeth Norwich
Deputy Chairman
Sark Finance and Resources Committee

Date: 14/03/18



Lynda Higgins
Deputy Treasurer
on behalf of Chief Pleas

Date: 14/03/2018.

The notes on pages 5 to 15 form part of these financial statements.

Island of Sark

Notes forming part of the financial statements

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements of the Island of Sark ("the Island") :

Basis of preparation

The financial statements have been prepared in accordance with Section 62 of The Reform (Sark) Law, 2008 and the accounting policies detailed below, as selected by the Finance and Resources Committee of Chief Pleas. They have been prepared on the historical cost basis and on a going concern basis. The budgeted revenue and expenditure figures have been included for illustrative purposes only.

Revenue

Income has been included on the accruals basis, with the exception of that of Public Works, Direct Tax and the Constables which has been included on the receipts basis.

Revenue

Expenditure is included on the accruals basis.

Tangible assets

Tangible assets are stated at cost less depreciation.

Depreciation

Depreciation is calculated in equal annual instalments at the following annual rates so as to write off the cost of tangible assets over their anticipated useful lives:

	%
Rollers	10 (fully depreciated)
Stone crusher	10 (fully depreciated)
Crane	6.7 - 10
Incinerators	10
Borehole pump	10 (fully depreciated)
Harbour Hill transport	10 (fully depreciated)
Rubbish trailers	10
Sewage system	10
Water treatment	10
School computers	33.33
Office equipment	33.33
Office furniture	10
Slurry tanker	10
Tractors	10
Rubbish skips	20
Fire fighting equipment	10 - 20
Constables' equipment	33.33
Slaughterhouse equipment	20

Island of Sark

Notes forming part of the financial statements - continued

1 Principal accounting policies (continued)

Depreciation (continued)

No provision has been made for depreciation of Maseline Harbour or Island property as it is the Island's policy to maintain these assets in good condition to prolong their useful lives. Any depreciation involved would not be material. Costs of repairs and maintenance are charged against revenue in the year in which they are incurred.

Investments

Unquoted investments are stated at cost.

Funds held for internal organisations

Funds are held on behalf of the Ambulance Service, Old Hall Trust, Hathaway Settlement, Harbour Donation Account and Tourism Trading Accounts as these organisations do not hold accounts of their own. The amounts held are shown in the balance sheet as current liabilities.

Net Procureur expense

Procureur expenses are recognised on an accruals basis. Assistance is given in the form of loans but is written off as it is provided. The expense is presented net of income received from assistance repaid and donations received.

	Year ended 31.12.17 £	<i>Budget estimate year to 31.12.17 £</i>	Year ended 31.12.16 £
2 Impot			
Tobacco	107,960		117,986
Beer	80,281		61,244
Wines	67,371		61,636
Spirits and cordials	45,663		34,288
Cider	15,206		15,491
Oils	810		636
	<u>317,291</u>		<u>291,281</u>
Less: Collection charges	8,493		8,409
	<u>£ 308,799</u>	<u>£ 318,000</u>	<u>£ 282,872</u>
3 Public Works income			
Rubbish	47,661		49,841
Sewage	13,047		16,397
	<u>£ 60,708</u>	<u>£ 66,000</u>	<u>£ 66,238</u>

Island of Sark

Notes forming part of the financial statements - continued

	Year ended 31.12.17 £	<i>Budget estimate year to 31.12.17 £</i>	Year ended 31.12.16 £
4 Harbour income			
Harbour services	33,279	39,000	33,567
Rents and sundry income	2,038	2,000	2,295
Harbour dues	9,048	9,000	11,672
	<u>£ 44,365</u>	<u>£ 50,000</u>	<u>£ 47,534</u>
5 Investment income			
Bank deposit and loan interest	£ 15,173	£ 7,000	£ 13,393
	<u>£ 15,173</u>	<u>£ 7,000</u>	<u>£ 13,393</u>
6 Constables' income			
Licences	£ 21,294	£ 24,000	£ 21,379
	<u>£ 21,294</u>	<u>£ 24,000</u>	<u>£ 21,379</u>
7 Miscellaneous income			
Rent and ground rent	8,324	10,000	8,697
Accommodation permits	5,066	4,000	4,549
Court and registration fees	3,921	3,000	4,411
Hotel and public house licences	3,315	4,000	2,970
Share of profit of Guernsey Post	-	1,000	392
Share of C I Lottery profit/import duties	2,947	5,000	2,971
Development control application fees	560	1,000	900
Sundry	1,291	1,000	1,207
	<u>£ 25,423</u>	<u>£ 29,000</u>	<u>£ 26,097</u>
8 Education			
Salaries	134,201	137,191	134,897
Repairs, maintenance, heat and light	11,979	18,568	11,441
Educational and technical support and software	11,110	15,000	15,745
Books, stationery and equipment	8,982	10,000	8,554
School teacher's accommodation	10,594	10,626	10,482
Caretaking and cleaning	7,400	8,434	8,035
Assistance to school teachers' pensions	7,175	7,266	7,115
Recruitment expenses	30	-	4,502
	<u>£ 191,471</u>	<u>£ 207,085</u>	<u>£ 200,771</u>

Island of Sark

Notes forming part of the financial statements - continued

	Year ended 31.12.17 £	<i>Budget estimate year to 31.12.17 £</i>	Year ended 31.12.16 £
9 Douzaine and Constables			
Island workmen	78,998	86,904	77,854
Annual work programme	39,044	50,000	31,267
Salaries and honoraria	23,113	25,589	22,668
Repairs to machinery	15,311	17,000	17,597
Maintenance of paths and signs	1,275	4,000	721
Constables' office expenses	3,507	4,000	1,460
Toilets and harbour stores	3,461	3,000	2,833
	<u>£ 164,708</u>	<u>£ 190,493</u>	<u>£ 154,400</u>
10 Salaries and wages			
Seigneur, island officers and committee staff	<u>£ 161,274</u>	<u>£ 170,268</u>	<u>£ 159,941</u>
11 Repairs and maintenance			
Machinery - depreciation	28,067	40,000	35,868
Heat, light and power	9,718	12,500	11,341
Repairs:			
La Coupee	953	1,000	-
Medical Centre	430	1,250	-
School houses	831	3,750	3,386
Greffé office and fire station	773	1,250	1,752
Court/assembly room	-	2,000	375
Crane shed roof	1,267	-	225
Other Island property	2,311	1,000	188
	<u>£ 44,350</u>	<u>£ 62,750</u>	<u>£ 53,135</u>
12 Public Works expenses			
Landfill and other disposal costs	18,494		23,458
Wages	24,235		26,375
Incinerator operating costs	14,278		11,586
Sewage	12,004		16,555
Sundry	-		-
	<u>£ 69,011</u>	<u>£ 73,000</u>	<u>£ 77,974</u>

Island of Sark

Notes forming part of the financial statements - continued

	Year ended 31.12.17 £	<i>Budget estimate year to 31.12.17 £</i>	Year ended 31.12.16 £
13 Procureur			
<i>Income</i>			
Contributions from third parties	-		329
Loan repayments	3,133		2,113
Donations	1,243		133
	<u>4,376</u>		<u>2,575</u>
<i>Expenditure</i>			
Medical insurance premiums	66,868		52,391
Medical costs and care workers	18,107		18,947
Groceries, meals, laundry and sundries	7,798		8,016
Rent and tax	5,241		5,896
Cash grants	26,140		26,577
Fuel assistance	5,130		5,577
Residential care	68,928		43,535
	<u>198,212</u>		<u>160,939</u>
<i>Net expenditure</i>	<u>£ 193,836</u>	<u>£ 170,000</u>	<u>£ 158,364</u>
14 Tourism			
Advertising and visitor centre costs	89,336	89,674	86,186
Water testing and inspection costs	375	4,000	1,638
	<u>£ 89,711</u>	<u>£ 93,674</u>	<u>£ 87,824</u>
15 Harbours and Shipping			
Routine maintenance, salaries and training	<u>£ 47,571</u>	<u>£ 71,116</u>	<u>£ 55,145</u>
16 Medical and emergency services			
Salaries	33,989	33,922	33,686
Costs of Health Visitor	2,403	5,000	-
Other medical expenses	125	1,000	-
Fire protection	8,663	9,125	8,985
	<u>£ 45,180</u>	<u>£ 49,047</u>	<u>£ 42,671</u>

Island of Sark

Notes forming part of the financial statements - continued

	Year ended 31.12.17 £	<i>Budget estimate year to 31.12.17 £</i>	Year ended 31.12.16 £
17 Police, customs and prisons			
Police and customs costs	15,294	16,000	15,474
Maintenance of prisoners	5,000	5,000	5,000
	<u>£ 20,294</u>	<u>£ 21,000</u>	<u>£ 20,474</u>
18 Grants, subsidies, etc			
Maintenance of Island Hall and School	8,970	8,000	6,765
St John's Marine Ambulance Fund	5,000	2,064	2,064
St Peter's Church	987	2,064	987
Island games	906	906	906
RNLI	633	633	633
Floral Sark	250	250	250
Methodist Church	497	497	497
	<u>£ 17,243</u>	<u>£ 14,414</u>	<u>£ 12,102</u>
19 Agriculture, Environment and Sea Fisheries			
Agricultural grants	5,063	5,500	3,121
Sea Fisheries officer and patrol vessel	2,637	4,275	3,717
	<u>£ 7,700</u>	<u>£ 9,775</u>	<u>£ 6,838</u>
20 Miscellaneous expenditure			
Unforeseen expenditure (<i>note 21</i>)	17,040	13,000	10,582
Office expenses	18,652	19,000	21,178
Renewable energy research	199	3,000	154
Tax administration	5,319	7,000	4,480
Legal aid	27,000	27,000	27,000
Independent practitioner's review fee	6,234	6,500	8,235
Seneschal's court expenses	1,714	4,000	7,189
Costs of Lieutenant Seneschal	5,403	20,000	9,040
Digimap licensing	2,536	2,550	2,471
Hansard	2,021	2,000	1,939
Civic entertaining	982	2,000	1,633
Child protection costs	49	5,000	-
Preventative measures - rabies, beetles, moths, etc	-	1,250	-
	<u>£ 87,148</u>	<u>£ 112,300</u>	<u>£ 93,901</u>

Island of Sark

Notes forming part of the financial statements - continued

	Year ended 31.12.17 £	<i>Budget estimate year to 31.12.17</i> £	Year ended 31.12.16 £
21 Unforeseen expenses			
Education review	-	-	-
TLD fee	-	-	100
Professional fees re sustainable electricity PDT	17,040	13,000	6,000
Child protection costs	-	-	4,482
	£ 17,040	£ 13,000	£ 10,582

Island of Sark

Notes forming part of the financial statements - continued

22 Tangible assets

	Cost				Depreciation				Net book values	
	At	Additions	Disposals	At	At	Provided	On	At	31.12.17	31.12.16
	1.1.17	£	£	£	1.1.17	£	Disposals	31.12.17	£	£
Maseline harbour	61,329	-	-	61,329	-	-	-	-	61,329	61,329
Land										
Les Laches	516	-	-	516	-	-	-	-	516	516
La Maseline	413	-	-	413	-	-	-	-	413	413
Harbour Hill path	1	-	-	1	-	-	-	-	1	1
	930	-	-	930	-	-	-	-	930	930
Property										
Ivy Cottage	118,731	-	-	118,731	-	-	-	-	118,731	118,731
Teacher's houses	98,295	-	-	98,295	-	-	-	-	98,295	98,295
Fire station	82,335	-	-	82,335	-	-	-	-	82,335	82,335
Assembly room/new offices	101,528	-	-	101,528	-	-	-	-	101,528	101,528
Visitor centre	34,217	-	-	34,217	-	-	-	-	34,217	34,217
Crane shed	26,803	-	-	26,803	-	-	-	-	26,803	26,803
Creux Harbour shelter	15,000	-	-	15,000	-	-	-	-	15,000	15,000
Grefie and committee offices	10,350	-	-	10,350	-	-	-	-	10,350	10,350
Medical centre	27,100	-	-	27,100	-	-	-	-	27,100	27,100
School adaptation	5,915	-	-	5,915	-	-	-	-	5,915	5,915
Vieux Clos	2,055	-	-	2,055	-	-	-	-	2,055	2,055
Prison improvements	1,702	-	-	1,702	-	-	-	-	1,702	1,702
	524,031	-	-	524,031	-	-	-	-	524,031	524,031
Carried forward	586,290	-	-	586,290	-	-	-	-	586,290	586,290

Island of Sark

Notes forming part of the financial statements - continued

22 Tangible assets - continued

	Cost				Depreciation				Net book values		
	At	Additions	Disposals	At	At	Provided	Disposals	On	At	At	At
	1.1.17	£	£	£	1.1.17	£	£	Disposals	31.12.17	31.12.16	£
Brought forward	586,290	-	-	586,290	-	-	-	-	-	586,290	586,290
Machinery	371,842	264,616	203,534	432,924	276,860	7,307	98,217	185,950	246,974	94,982	
Tractors	44,072	-	-	44,072	35,784	2,101	-	37,885	6,187	8,288	
Incinerators	81,973	1,875	-	83,848	55,969	3,264	-	59,233	24,615	26,004	
School computers	17,784	5,625	5,508	17,901	13,025	5,968	5,508	13,485	4,416	4,759	
Trailers	22,728	-	-	22,728	12,860	1,993	-	14,853	7,875	9,868	
Office equipment	19,037	2,513	1,060	20,490	16,634	2,067	1,060	17,641	2,849	2,403	
Slurry tankers	13,498	-	-	13,498	11,967	767	-	12,734	764	1,531	
Sewage system	9,750	-	-	9,750	9,750	-	-	9,750	-	-	
Emergency services equipment	16,282	-	-	16,282	9,663	1,515	-	11,178	5,104	6,619	
Stone crusher	8,947	-	-	8,947	8,947	-	-	8,947	-	-	
Rubbish skips	8,637	-	-	8,637	6,410	1,114	-	7,524	1,113	2,227	
Rollers	11,521	-	-	11,521	7,304	469	-	7,773	3,748	4,217	
Water treatment	5,288	-	-	5,288	5,288	-	-	5,288	-	-	
Water bowser	4,397	-	-	4,397	3,079	440	-	3,519	878	1,318	
Medical equipment	3,381	-	-	3,381	3,381	-	-	3,381	-	-	
Borehole pump	1,169	-	-	1,169	1,169	-	-	1,169	-	-	
Office furniture	1,114	-	-	1,114	795	36	-	831	283	319	
Constables' equipment	1,100	-	-	1,100	734	366	-	1,100	-	366	
Slaughterhouse equipment	3,303	-	-	3,303	1,320	660	-	1,980	1,323	1,983	
Total	645,823	274,629	210,102	710,350	480,939	28,067	104,785	404,221	306,129	164,884	
	£ 1,232,113	£ 274,629	£ 210,102	£ 1,296,640	£ 480,939	£ 28,067	£ 104,785	£ 404,221	£ 892,419	£ 751,174	

Certain properties held by the Island Trustees are not included in tangible assets until such times as their values can be ascertained.

Island of Sark

Notes forming part of the financial statements - continued

23 Investments	2017 £	2016 £
<i>Unquoted</i>		
Isle of Sark Shipping Company Limited -		
Ordinary shares of £1 each	451,000	451,000
Long term loan	254,788	254,788
	£ 705,788	£ 705,788
	£ 705,788	£ 705,788

Isle of Sark Shipping Company Limited ("IoSS") is a Guernsey registered company, wholly owned by the Island of Sark. As at 30 September 2017 the net assets of IoSS were £917,678 (2016 - £884,270).

The loan bears interest at the variable HMRC (UK) rate for beneficial loans (currently 2.5% p.a.) and becomes repayable on 30 September 2021.

24 La Ville Roussel Fund	2017 £	2016 £
Debtors	154	136
Bank balances -		
Deposit	98,145	97,799
Current	725	752
	£ 99,024	£ 98,687
	£ 99,024	£ 98,687

25 Contingent liabilities

Chief Pleas has guaranteed overdraft facilities granted to IoSS up to a maximum of £150,000 (2016 - £150,000). The Island will only be liable to honour those guarantees in the event that IoSS defaults on repayments in relation to the overdraft. At 31 December 2017 the contingent liability arising from those guarantees was £NIL (2016 - £Nil).

26 Accumulated fund	2017 £	2016 £
Balance at 1 January	3,163,330	3,061,430
Surplus for the financial year	87,769	101,900
Balance at 31 December	£ 3,251,099	£ 3,163,330
	£ 3,251,099	£ 3,163,330

Island of Sark

Notes forming part of the financial statements - continued

27 La Ville Roussel fund

Income

Bank interest	346	65
Rent	125	125
	<u>471</u>	<u>190</u>

Expenditure

Repairs	-	-
Bank charges	135	35
	<u>135</u>	<u>35</u>

Surplus for the financial year	336	155
Balance at 1 January	98,687	98,532
Balance at 31 December	£ 99,024	£ 98,687

28 Reserves

Balance at 1 January	3,262,017	3,159,962
Increase in accumulated fund	87,769	101,900
Increase in La Ville Roussel fund	336	155
Balance at 31 December	£ 3,350,122	£ 3,262,017

29 Ultimate controlling party

The ultimate controlling party is the Chief Pleas of the Island of Sark.

30 Ultimate controlling party

There have been no material subsequent events up to 14 March 2018 other than referred to in the notes above.