

Port St. Mary Village Commissioners

Statement of Accounts

For the year ended 31 March 2014

Port St. Mary Village Commissioners

<i>Contents</i>	<i>Page</i>
Explanatory Foreword	1 - 3
Statement of Accounting Policies	4 - 7
Statement of Responsibilities for the Statement of Accounts	8
Statement of Internal Control	9 - 10
Independent Auditor's Report	11 - 12
Income and Expenditure Account	13
Statement of the Movement on the General Fund Balance	14
Housing Revenue Income and Expenditure Account	15
Statement of Movement on the Housing Revenue Account Balance	16
Statement of Total Recognised Gains and Losses	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Cash Flow Statement	20
General Rate Fund	21
Notes to the financial statements	22 - 33
These pages do not form part of the audited financial statements	
Detailed Income and Expenditure Account	34 - 37

Port St. Mary Village Commissioners

Explanatory Foreword

Introduction

This Statement provides a summary of the Authority's financial performance for the year ended 31 March 2014. It has been prepared in accordance with the Isle of Man Statement of Recommended Practice 2007 on accounting for entities subject to the Audit Act 2006.

The individual accounts within the Statement are as follows:

The **Income and Expenditure Account** reports the net cost for the year of all functions for which the Authority is responsible and how those costs are financed from general government grants and income from local ratepayers together with commercial rents and other income.

The **Statement of the Movement on the General Fund Balance** shows the surplus or deficit on the Income and Expenditure Account adjusted for the additional amounts which are required by statute and non-statutory proper practices to be charged or credited to the General Fund in determining the movement on the General Fund Balance for the year. This is the basis on which the Authority sets its rate for the year.

The **Housing Revenue Income and Expenditure Account** is an account which independently records the costs of maintaining and managing the Authority's own housing stock and how these costs are met by rent payers, Central Government subsidy and other income.

The **Statement of Movement on the Housing Revenue Account Balance** shows the surplus or deficit on the Housing Income and Expenditure Account adjusted for the additional amounts which are required by statute and non-statutory proper practices to be charged or credited to the Housing Account in determining the movement on the Housing Account for the year.

The **Statement of Total Recognised Gains and Losses** shows all gains and losses recognised by the Authority during the year which are not reflected in operating performance within the Income and Expenditure Account. This will include any gains or losses arising on the revaluation of fixed assets for the year together with the surplus or deficit relating to the annual measurement of the net liability to cover the cost of retirement benefits.

The **Balance Sheet** sets out the financial position of the Authority at the end of the year.

The **Cash Flow Statement** summarises the inflows and outflows of cash arising from the Authority's transactions with third parties during the year.

The **General Rate Fund** shows the transactions of the Authority as a charging authority in respect of rates income.

Port St. Mary Village Commissioners

Explanatory Foreword (continued)

This section provides a summary review of performance during the year and of key areas which impact the Authority's financial position.

Income and Expenditure Account

The Income and Expenditure Account covers the day to day running costs of the Authority's services, with the exception of Authority housing which is contained within the Housing Revenue Income and Expenditure Account.

Expenditure is met from the income from the General Rate Fund and other miscellaneous income.

For the year ended 31 March 2014 the deficit for the year amounted to £18,565 (2013 deficit: £127,206). Further adjustments to these figures are made in the Statement of the Movement on the General Fund Balance as explained in the note below, in order to arrive at the General Fund Balance for the year.

Statement of the Movement on the General Fund Balance

As described on page 1, this statement is the basis on which the Authority's rate is set. For the year ended 31 March 2014, the surplus amounted to £106,876, (2013 surplus: £1,536) meaning the authority now has general fund reserves of £235,620 (2013: £128,774).

Housing Revenue Account

The Housing Revenue Account shows the income and expenditure on Authority housing. The financial year ended 31 March 2014 resulted in a deficit of £93,517, (2013 deficit: £193,785). Further adjustments to these figures are made in the Statement of the Movement on the Housing Revenue Account.

Statement on the Movement on the Housing Revenue Account Balance

This statement shows the deficit on the Housing Revenue Income and Expenditure Account adjusted for the additional amounts as required by Statute and non-statutory proper practices. Deficiency payments are received from Department of Social Care covering any deficit.

The deficiency requirement for the year is £50,291 (2013: £Nil) after the deduction of the surplus brought forward of £11,262.

Capital Expenditure and Borrowing

Total capital expenditure in the year was £112,560 (2013 : £290,386) and was financed by Isle of Man Bank loans and overdraft facilities except for £5,164 of Street lighting and Town Hall improvements which were funded from general reserves and £61,872 which was funded from housing maintenance account.

Accruals at the year end in respect of capital expenditure totalled £45,170 (2013: £102,758).

Port St. Mary Village Commissioners

Explanatory Foreword (continued)

General Rate Fund

The general rate income due and collected by the Authority is shown in the General Rate Fund. Rates were levied at 306p (2013: 306p) in the £. The rateable value at 1 April 2014 is £141,815 (2013: £141,942).

Total rates debtors were £43,891 (2013: £30,986) although this amount includes £27,160 (2013: £13,309) which was received from Treasury post year end. Prior year rates were recovered totalling £6,780 (2013: £7,752).

Pensions Liability

The Statement of Recommended Practice requires the Authority to disclose certain information within its Statement of Accounts and this appears in note 28 to the Core Financial Statements. Included within that information is the net liability on the Isle of Man Local Government Superannuation Scheme that is attributable to Port St Mary Village Commissioners.

This is the difference between future liabilities and assets, as valued at 31 March 2014, and amounts to £584,000 (2013: £426,000). No current provision exists to meet this deficit, which will be addressed by future contributions to the Pension Fund.

The significant increase is due in part to a change in the discount factor and an increase in life expectancy.

Port St. Mary Village Commissioners

Statement of Accounting Policies

Basis of preparation

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings in 2014 and in accordance with United Kingdom generally accepted accounting principles.

The accounts have been drawn up in accordance with the Isle of Man Statement of Recommended Practice 2007 on accounting for entities subject to the Audit Act 2006 (“the SORP”) issued by Treasury except as disclosed under valuations below. This SORP is recognised under the Audit Act 2006 and the Accounts and Audit Regulations 2013 as representing proper accounting practices. Key principles are set out below.

Tangible fixed assets

Recognition

Expenditure on the acquisition, creation or enhancement of fixed assets has been capitalised on an accruals basis. Where such expenditure on furniture and equipment is less than a de minimis level of £1,000 it is not capitalised but is charged to revenue in the year in which it is incurred.

Capital expenditure incurred on fixed assets that does not materially add to the value of those assets is written off.

Valuations

Asset valuations have been carried out in accordance with guidelines established by CIPFA and RICS and in accordance with the Statement of Recommended Practice except as noted below.

Operational assets have been valued at the lower of net current replacement cost or net realisable value in existing use. In the case of vehicles and plant and equipment, historical costs have been used as a proxy for these values; as inflation is low, prices will not vary significantly over the estimated life of the assets while the Authority depreciates them on a prudent basis using conservative estimates of working lives. As a consequence, the use of historical costs rather than values for these items will not result in a material difference in the Accounts.

In the preceding year, included within ‘Land and Property’ are certain operational properties which are reported at depreciated cost, not at the lower of net current replacement cost or net realisable value in existing use as required by section 3.97 of the SORP.

Non-operational assets have been valued at the lower of net current replacement cost or net realisable value.

Infrastructure assets and community assets are included in the Balance Sheet at historical cost (net of depreciation where appropriate); if this could not be ascertained, a nominal value has been used. There is no material effect on the Accounts.

Depreciation

Depreciation is provided on all assets with a finite useful life, other than freehold land and non operational assets. Where depreciation is provided for, assets are being depreciated over periods reflecting their estimated useful lives.

Port St. Mary Village Commissioners

Statement of Accounting Policies (continued)

Intangible Fixed Assets

Intangible fixed assets are fixed assets that do not have physical substance but which are identifiable and where future economic benefits will be received by the Authority through custody or legal rights (e.g software licences). Purchased intangibles are capitalised at cost on an accruals basis and amortised to the Income and Expenditure Account over a 5 year period.

Impairment

The value at which each category of assets is included in the Balance Sheet is reviewed at the end of each year: where values have changed materially in the period, the valuations are adjusted to reflect the change. Where a major change in asset values is due to a consumption of economic benefits (such as physical damage), the impairment loss is recognised in the Income and Expenditure Account. Other impairments are recognised in the Revaluation Reserve. Impairment reviews are carried out on all assets, other than non-depreciable land, where no depreciation charge is made or the estimated remaining useful life of the asset exceeds 50 years.

Disposals

Income from the disposal of fixed assets is accounted for on an accruals basis.

Government grants

Government grants are accounted for on an accruals basis and income has been credited, in the case of revenue grants, to the appropriate revenue account to match the expenditure to which they relate.

Donations received

Donations received and other contributions towards the cost of capital assets are credited to deferred income. These are credited to the General Revenue account over the useful life of the asset to match the depreciation of the asset to which it relates.

Housing Deficiency

Housing deficiency is accounted for on an accruals basis and represents an amount due in respect of the shortfall in housing income over housing receipts in the year in accordance with the housing deficiency scheme operated by the Department of Social Care.

Port St. Mary Village Commissioners

Statement of Accounting Policies (continued)

Accruals of income and expenditure

The capital and revenue accounts of the Authority are maintained on an accruals basis: activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Fees, charges and rents due from tenants are accounted for as income at the date the Authority provides the relevant goods or services.
- Employee costs are charged as expenditure when they are due rather than paid, including any arrears of pay or pay awards.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as stocks on the balance sheet.
- Works are charged as expenditure when they are completed, before which they are carried as works in progress on the balance sheet.
- Interest payable and receivable on borrowings is accounted for in the year to which it relates, on a basis that reflects the overall effect of the loan or investment.
- Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Income and expenditure are credited and debited to the relevant account, unless they properly represent capital receipts or capital expenditure. These accruals are largely based on known commitments and can be assessed accurately. Where estimates are made, they are based on historical records, precedence and officers' knowledge and experience. In all cases the Authority adopts a prudent approach to avoid overstating its resources.

Value Added Tax

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

Overheads

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

Pension costs

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

The pension cost has been assessed by the Fund's actuary based on triennial valuations, the 2013/14 contributions being based on the results of the review as at 31 March 2013. These contributions are charged to the Accounts in accordance with statutory requirements. The financial statements have been prepared on the basis that the assets and liabilities arising from an employer's retirement benefit obligations and any related funding are reflected at fair value.

The financial statements contain adequate disclosure of the cost of providing retirement benefits and the related gains, losses, assets and liabilities.

Port St. Mary Village Commissioners

Statement of Accounting Policies (continued)

Liquid resources

The authority's liquid resources comprise of deposit accounts that cannot be accessed within 24 hours.

Reserves

Reserves represent resources set aside for purposes such as general contingencies and cash flow management. The Authority maintains the following significant reserves:

General revenue account: set up to act as a buffer against the potential risks of increased expenditure to be charged to future years' Accounts and to assist in organisational development.

Housing maintenance account: set up to hold surplus monies received from housing rents less expenditure incurred.

Housing revenue account: set up to hold surplus monies received from housing rents less expenditure incurred.

Capital receipts reserve: these are amounts of capital receipts received to be used to finance future capital expenditure.

The following accounts have been established in accordance with the capital accounting provisions. They are not fully backed by cash, nor generally available to finance expenditure.

Capital adjustment account: these are amounts set aside from capital receipts or revenue resources to finance expenditure on fixed assets or for the repayment of external loans and certain other capital financing transactions.

Pensions reserve: this is a reserve matching the liability in respect of the Commissioners' share of the Isle of Man Local Government Superannuation Scheme.

Revaluation reserve: representing principally the balance of the surpluses or deficits arising on the periodic revaluation of fixed assets.

Provisions

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

Events after the balance sheet date

Post balance sheet events, whether favourable or unfavourable, that affect the conditions existing at the balance sheet date are adjusted in the Accounts and disclosures. For events occurring after the balance sheet date relating to conditions that arose after that date, adjustments are not made in the Accounts but details are disclosed in a note to the balance sheet. These principles apply up to the date when the Accounts are authorised for issue.

Port St. Mary Village Commissioners

Statement of Responsibilities for the Statement of Accounts

The Authority's responsibilities

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs through the appointment of a Responsible Financial Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Responsible Financial Officer's responsibilities

The Responsible Financial Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the Isle of Man Statement of Recommended Practice 2007 on accounting for entities subject to the Audit Act 2006 ("the SORP").

In preparing this Statement of Accounts, the Responsible Financial Officer is required to:

- select suitable accounting policies and then applied them consistently;
- make judgments and estimates that were reasonable and prudent; and
- comply with the SORP.

The Responsible Financial Officer should also:

- keep proper accounting records which were up to date; and
- take reasonable steps for the prevention and detection of fraud and other irregularities.

The Responsible Financial Officer should sign and date the statement of accounts, stating that they present fairly the financial position of the Authority at 31 March 2014 and its income and expenditure for the year ending on that date.

Port St. Mary Village Commissioners

Statement of Internal Control

Introduction

Regulation 9 of the Accounts and Audit Regulations 2013 requires the Authority to conduct a review at least once a year of the effectiveness of its systems of internal control and include a statement on internal control within the Authority's statement of accounts.

This statement is made by Port St Mary Village Commissioners to the Isle of Man Government Treasury in accordance with the requirements of the Isle of Man Government's Corporate Governance Principles and Code of Conduct ("the Code").

Responsibilities of the Board and the Responsible Financial Officer

The Board controls strategy, policy and key financial and operational matters within the Authority. In addition, it is the Board's responsibility to ensure that the work of the Responsible Financial Officer and other senior officers supports the strategy and policy approved by the Board.

The Board is responsible for implementing and maintaining systems of internal control and corporate governance which:

- ensure compliance with legislation and other regulations;
- safeguard public money, ensure that it is properly accounted for and that it is used economically, efficiently and effectively; and
- support the achievement of the strategy, policies, aims and objectives approved by the Board.

In discharging this responsibility, the Board works with senior officers to put in place arrangements for the governance of the Authority's affairs and the stewardship of resources, in accordance with the Code.

Internal control and corporate governance environment

The Authority's systems of internal control and corporate governance have been developed through an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The following are considered to be key aspects of the internal control and corporate governance environment:

- **Authority's corporate governance framework**
A corporate governance framework has been developed which documents the Authority's policies and procedures in relation to community focus, performance management, internal control, risk management, delegated authority, human resources management, standards of conduct and management of Health & Safety and the environment. The framework provides a structure for documenting the legislation, regulations, policies, procedures and other internal controls which, when taken together, form the Authority's internal control and corporate governance environment.
- **Board meetings**
The Board meets monthly and consists of a Chairman and 8 other Board members. The Board receive reports from the Authority's Officers on operational matters and ensure that the work of the Responsible Financial Officer and other senior officers supports the strategy and policy approved by the Board.

Port St. Mary Village Commissioners

Statement of Internal Control (continued)

- **Comprehensive budgeting systems**
- **Regular reviews of periodic and annual financial reports to evaluate financial performance against forecasts**
- **Setting targets to measure financial and other performance**
- **The preparation of regular financial reports which indicate actual expenditure against the forecasts, and**
- **Clearly defined capital expenditure guidelines**

Review of internal control and corporate governance environment

The effectiveness of the Authority's internal control and corporate governance arrangements is continuously assessed by the work of management and the Board.

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

- the work of managers within the Authority
- the work of the internal auditors, and
- the external auditors in their annual audit letter and other reports.

The internal auditor concluded that certain high risk observations were identified as detailed below.

The RFO has met with the Commissioners to discuss the detailed findings of the report with a view to implementing, where practical, the key recommendations of the Internal Auditor.

Report on internal control and corporate governance environment

Attention is drawn to the fact that systems of internal control and corporate governance are designed to manage rather than eliminate the risk of failure to achieve objectives. They can therefore only provide reasonable and not absolute assurance. Accordingly, reasonable assurance is given that, except for the matters listed below, the Authority's internal control and corporate governance arrangements are adequate and operate effectively during the period ended 31 March 2014.

The following improvement has been identified to address internal control weaknesses:

- A review of the risk factors in the area of health and safety.
- A review of the administration functions of the Marashen Crescent Housing Committee.

(Signed) BM McCabe (Signed) [Signature]

(Chairman)

(Dated) 5/11/14

Port St. Mary Village Commissioners

REPORT OF THE INDEPENDENT AUDITORS, GRANT THORNTON LIMITED, TO THE COMMISSIONERS OF PORT ST MARY VILLAGE COMMISSIONERS

We have audited the financial statements of Port St Mary Village Commissioners for the year ended 31 March 2014 which comprise the statement of accounting policies, the income and expenditure account, the statement of the movement on the general fund balance, the housing revenue income and expenditure account, the statement of the movement on the housing revenue account balance, the statement of total recognised gains and losses, the balance sheet, the cash flow statement, the general rate fund and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Statement of Recommended Practice 2007: Accounting for entities subject to the Audit Act 2006 ("the SORP").

This report is made solely to the authority's Commissioners, as a body, in accordance with section 6 of the Audit Act 2006. Our audit work has been undertaken so that we might state to the authority's Commissioners, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the authority and the authority's Commissioners, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Responsible Financial Officer and auditors

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Responsible Financial Officer is responsible for the preparation of the Statement of Accounts, including the financial statements, which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Responsible Financial Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Statement of Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for qualified opinion on financial statements

In the preceding year, included within 'Land and Property' are operational properties which are reported at depreciated cost of £2,066,247, not at the lower of net current replacement cost or net realisable value in existing use as required by section 3.97 of the SORP. The SORP requires that assets initially carried at cost during construction and subsequently ready for operational use may need to be valued in accordance with the basis relevant to that particular class of assets if there is evidence that historical cost is not a reliable figure for the value added by the authority. At 31 March 2013 the authority had not obtained an appropriate valuation for these assets that had become operational. The depreciation charged on the operational properties during the current and preceding year was based on cost as opposed to the lower of net current replacement cost or net realisable value in existing use. It is not possible to quantify the effect of this departure from the accounting treatment required by the SORP.

Port St. Mary Village Commissioners

Qualified opinion on financial statements

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the authority's affairs as at 31 March 2014 and of its deficit for the year then ended;
- have been prepared in accordance with the requirements of the SORP; and
- have been prepared in accordance with the Accounts and Audit Regulations 2013 made under the Audit Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Audit Act 2006 requires us to report to you if, in our opinion:

- the financial statements do not comply with any directions under section 13; or
- expenditure or income or any other transaction effected by or on account of the authority is or will be contrary to law; or
- the internal organisation of the authority and the internal controls maintained by it are not such as to secure proper management of the finances of the authority and economy and efficiency in the use of its resources.

Grant Thornton Limited

Grant Thornton Limited
Chartered Accountants

PO Box 307
Exchange House
54-62 Athol Street
Douglas
Isle of Man
IM99 2BE

Date 17 NOVEMBER 2014

Port St. Mary Village Commissioners

Income and Expenditure Account

For the year ended 31 March 2014

Statement of net expenditure	<i>Notes</i>	2014		2013	
<i>Income Generated from:</i>		£	£	£	£
Administration and general purposes		51,564		29,578	
Property		33,941		33,363	
Refuse		27,158		26,511	
Sewers		-		8,576	
Parks and leisure		16,750		15,750	
Public amenities		1,253		1,903	
		<u>130,666</u> ✓		<u>115,681</u>	
<i>Less expenditure generated by:</i>					
Administration and general purposes		117,768		144,274	
Direct labour – central costs		28,282		41,846	
Property		48,007		73,776	
Refuse Collection		124,763		92,296	
Sewers		88		6,989	
Public works		25,760		22,264	
Street cleaning and car parks		30,662		8,249	
Public conveniences		10,137		7,219	
Parks and leisure		6,800		2,001	
Maintenance of public areas		31,592		32,763	
Public amenities		27,864		16,833	
Guides and general advertising		1,399		2,011	
Bad debt provision		(1,667)		(987)	
Bad debts written off		850		725	
Impairment		-		-	
		<u>(452,305)</u> ✓		<u>(450,259)</u>	
Current cost of Pensions adjustment	28		(17,000)		(11,000)
Net cost of General Revenue Fund services			<u>(338,639)</u>		<u>(345,578)</u>
Housing Services – income		H 601,922 ✓		496,033	
Less: Gross Expenditure		H (511,629) ✓		(507,911)	
			<u>90,293</u>		<u>(11,878)</u>
Net cost of services			<u>(248,346)</u>		<u>(357,456)</u>
Profit on sale of vehicle			3,100		5,000
Interest payable and similar charges			H (183,810) ✓		(181,907)
Interest receivable			1,113		1,302
Net operating expenditure			<u>(427,943)</u>		<u>(533,061)</u>
Sources of finance					
General rates		414,127		409,903	
Less: Collection charges		(4,749)		(4,048)	
Income from General rates		<u>409,378</u> ✓		<u>405,855</u>	
Net deficit for the year			<u><u>(18,565)</u></u>		<u><u>(127,206)</u></u>

The notes on pages 22 to 33 form part of these financial statements.

Port St. Mary Village Commissioners

Statement of the Movement on the General Fund Balance for the year ended 31 March 2014

	2014 £	2013 £
Deficit for the year on the income and expenditure account	(18,565)	(127,206)
Amounts included in the Income and Expenditure account but required by statute to be excluded when determining the Movement on the General Fund Balance		
Reversal of net charges made for retirement benefits in accordance with the SORP	✓ 17,000	11,000
Depreciation charge for the year	✓ 24,053	29,660
Release of deferred income	✓ (603)	(603)
Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the year		
Profit on sale of assets	✓ (3,100)	(5,000)
Revenue contribution to capital assets	⊖ (5,164)	(174,766)
Transfers to or from the General Fund Balance that are required to be taken into account when determining the Movement on the General Fund Balance for the year		
Transfer to Housing Maintenance Account	(262)	(334)
Transfer to Housing Revenue Account	✓ 93,517	193,785
Transfer from Capital Receipts Reserve	-	75,000
	<hr/>	<hr/>
	106,876	1,536
General Fund Balance brought forward	128,744	127,208
	<hr/>	<hr/>
General Fund Balance carried forward	235,620	128,744
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 22 to 33 form part of these financial statements.

Port St. Mary Village Commissioners

Housing Revenue Income and Expenditure Account for the year ended 31 March 2014

	Notes	2014	2013
		£	£
Income			
Dwelling rents	24	551,632	496,033
Contributions towards expenditure including Housing Deficiency Payments	25	50,291	-
Total income		601,923	496,033
Expenditure			
Repairs and maintenance		63,540	64,480
Housing repairs – wages		36,738	33,152
Administration allowance		29,053	29,053
Depreciation charge for the year		292,650	293,208
Rent, rates, taxes and other charges		75,431	74,018
Insurance costs		12,217	12,000
Amortisation		2,000	2,000
		(511,629)	(507,911)
Net expenditure from HRA services		90,294	(11,878)
Interest payable and similar charges		(183,811)	(181,907)
Deficit for the year on the Housing revenue income and expenditure account		(93,517)	(193,785)

The notes on pages 22 to 33 form part of these financial statements.

Port St. Mary Village Commissioners

Statement of the Movement on the Housing Revenue Account Balance for the year ended 31 March 2014

	2014	2013
	£	£
Deficit for the year on the HR income and expenditure account	(93,517)	(193,785)
Amounts included in the Housing Revenue Income and Expenditure account but required by statute to be excluded when determining the Movement on the Housing Revenue Account Balance		
Depreciation charge for the year	✓ 292,650	293,208
Amortisation	✓ 2,000	2,000
Amounts not included in the Housing Revenue Income and Expenditure Account but required by statute to be included when determining the Movement on the Housing Revenue Account Balance for the year		
Loan principal repayments	✓ (199,608)	(76,727)
(Deficit)/surplus for the year before transfers to reserves	✓ 1,525	24,696
Transfers to or from the Housing Revenue Account Balance that are required to be taken into account when determining the Movement on the Housing Revenue Account Balance for the year		
Transfers to Housing Maintenance Account	(12,787)	(13,434)
	<u>(11,262)</u>	<u>11,262</u>
Housing Revenue Account Balance brought forward	<u>11,262</u>	<u>-</u>
Housing Revenue Account Balance carried forward	<u>-</u>	<u>11,262</u>

The notes on pages 22 to 33 form part of these financial statements.

Port St. Mary Village Commissioners

Statement of Total Recognised Gains and Losses for the year ended 31 March 2014

	2014	2013
	£	£
Deficit on the income and expenditure account for the year	(18,565)	(127,206)
Revaluation of fixed assets	1,089,736	-
Impairment of fixed assets	(2,072,491)	-
Actuarial losses on Pension Fund Assets and Liabilities	28 (141,000)	(66,000)
Total recognised gains and losses for the year	<u>(1,142,320)</u>	<u>(193,206)</u>

The notes on pages 22 to 33 form part of these financial statements.

Port St. Mary Village Commissioners

Balance Sheet

As at 31 March 2014

	<i>Notes</i>	2014	2013
		£	£
Fixed assets			
Tangible fixed assets	1, 2	17,768,273	19,012,757
Intangible fixed assets	3	4,000	6,000
		<u>17,772,273</u>	<u>19,018,757</u>
Current assets			
Debtors	6	136,413	76,166
Cash at bank and short term investments	7	739,598	826,086
		<u>876,011</u>	<u>902,252</u>
Current liabilities			
Creditors – amounts falling due within one year	8	(138,547)	(226,741)
Bank loans	12	(195,800)	(200,957)
		<u>(334,347)</u>	<u>(427,698)</u>
Long term liabilities			
Bank loans	12	(5,876,874)	(6,071,325)
Net defined benefit pension liability	28	(584,000)	(426,000)
Deferred income	8	(28,328)	(28,931)
		<u>(6,489,199)</u>	<u>(6,526,256)</u>
Total assets less liabilities		<u><u>11,824,735</u></u>	<u><u>12,967,055</u></u>
Financed by:			
General revenue account	10	235,620	128,744
Housing maintenance account	10	206,316	258,146
Housing reserve account	10	-	11,262
Capital receipts reserve	10	130,411	130,411
Capital adjustment account	10	1,755,800	713,069
Pension reserve	10,28	(584,000)	(426,000)
Revaluation reserve	10	10,080,588	12,151,423
		<u>11,824,735</u>	<u>12,967,055</u>

The financial statements were approved and authorised for issue by the Authority on 5/11/14 and were signed on their behalf by:


Chairman


Responsible Finance Officer

The notes on pages 22 to 33 form part of these financial statements

Port St. Mary Village Commissioners

Cash Flow Statement

for the year ended 31 March 2014

Revenue activities	£	2014 £	£	2013 £
Cash outflows				
Cash paid to and on behalf of employees	(220,948)		(226,425)	
Other operating cash payments	(427,174)		(326,233)	
		<u>(648,122)</u>		(552,658)
Cash inflows				
Rents	65,832		71,729	
Rents (after rebates) – housing stock	552,498		501,578	
Rate receipts	396,284		440,375	
Cash received for goods and services	357		30,394	
Deficiency grant received	38,859	1,053,830	7,065	1,051,141
		<u>405,708</u>		498,483
Net cash inflow from revenue activities				
Returns on Investments and servicing of finance				
Cash outflows				
Interest paid	(184,241)		(187,532)	
		<u>(184,241)</u>		(187,532)
Cash inflows				
Interest received – revenue	851		968	
Interest received – housing	262		334	
		<u>1,113</u>		1,302
Capital activities				
Cash outflows				
Purchase of fixed assets	(112,560)		(290,386)	
		<u>(112,560)</u>		(290,386)
Cash inflows				
Sale of fixed assets	3,100		5,000	
Contributions received	-		30,137	
		<u>3,100</u>		35,137
Net cash inflow before financing		<u>113,120</u>		57,004
Management of liquid resources				
Decrease/(increase) in short term deposits		41,331		(56,264)
Financing				
Cash outflows				
Repayments of amounts borrowed	(199,608)		(76,727)	
		<u>(199,608)</u>		(76,727)
Net decrease in cash		<u><u>(45,157)</u></u>		<u><u>(75,987)</u></u>

Port St. Mary Village Commissioners

Notes to the Cash Flow Statement

for the year ended 31 March 2014

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

	2014	2013
	£	£
Net deficit for the year on general fund income and expenditure account	(18,565)	(127,206)
Depreciation	316,703	322,868
Profit on sale of assets	(3,100)	(5,000)
Release of deferred liability	(603)	(603)
Amortisation	2,000	2,000
Adjust for appropriations to pension reserves	17,000	11,000
Interest paid	184,281	187,532
Interest received	(1,113)	(1,302)
(Increase)/decrease in debtors	(60,247)	48,349
(Decrease)/increase in creditors	(30,648)	60,845
	<u>405,708</u>	<u>498,483</u>

2. Reconciliation of the movement in net debt

	2014	2013
	£	£
Net debt at 1 April	(5,446,196)	(5,503,200)
Movement in net debt:		
Short term deposit	(41,331)	56,264
(Decrease) in cash in the period	(45,157)	(75,987)
Outflow from increase in debt financing	199,608	76,727
	<u>113,120</u>	<u>57,004</u>
Net debt at 31 March	<u>(5,333,076)</u>	<u>(5,446,196)</u>

3. Reconciliation of financing and management of liquid resources

	Balance at 31 March 2013	Cash movement	Non Cash movement	Balance at 31 March 2014
	£	£	£	£
Cash at bank	60,992	(45,157)	-	15,835
Short term investments	765,094	(41,331)	-	723,763
Net debt:				
Due within one year	(200,957)	199,608	(206,833)	(208,182)
Due after one year	(6,071,325)	-	206,833	(5,864,492)
	<u>(5,446,196)</u>	<u>113,120</u>	<u>-</u>	<u>(5,333,076)</u>

Port St. Mary Village Commissioners

General Rate Fund as at 31 March 2014

	<i>Notes</i>	2014	2013
	£	£	£
Total rates levied for the year		432,175	429,111
<i>Add:</i>			
Due from Treasury re prior year	13,309		44,659
Arrears brought forward	17,677		21,573
		<u>30,986</u>	<u>66,232</u>
<i>Less:</i>			
Discounts	(14,621)		(15,007)
Exempt and unoccupied properties	(3,426)		(3,016)
Refunds	-		(1,186)
Collection charge	(4,749)		(4,048)
		<u>(22,796)</u>	<u>(23,257)</u>
Treasury write off		(190)	(725)
Total rates collectable		<u><u>440,175</u></u>	<u><u>471,361</u></u>
Rates received in the year:			
Current year rates	376,195		387,964
Arrears collected	6,780		7,752
Balance (to)/from Treasury re previous year	13,309		44,659
		<u>396,284</u>	<u>440,375</u>
Balances outstanding carried forward:			
Due (to)/from Treasury re current year	27,160		13,309
Arrears - current year	6,023		4,582
- previous years	10,708		13,095
		<u>43,891</u>	<u>30,986</u>
		<u><u>440,175</u></u>	<u><u>471,361</u></u>

The notes on pages 22 to 33 form part of these financial statements.

Port St. Mary Village Commissioners

Notes

(forming part of the financial statements for the year ended 31 March 2014)

1. Tangible fixed assets

	Land and Property	Street Lighting	Motor Vehicles, Plant and Equipment	Total
Cost/Value	£	£	£	£
At 1 April 2013	20,272,326	136,748	99,618	20,508,692
Additions in the year	52,314	2,658	-	54,972
Disposals in the year	-	-	(1,725)	(1,725)
Revaluation	601,264	-	-	601,264
Impairment	(3,197,803)	-	-	(3,197,803)
At 31 March 2014	17,728,101	139,406	97,893	17,965,400
Depreciation				
As at 1 April 2013	1,304,396	93,407	98,132	1,495,935
Charge for the year	311,411	4,477	815	316,703
Disposals in the year	-	-	(1,725)	(1,725)
Impairment	(1,613,786)	-	-	(1,613,786)
At 31 March 2014	2,021	97,884	97,222	197,127
Net book value				
At 31 March 2014	17,726,080	41,522	671	17,768,273
At 31 March 2013	18,967,930	43,341	1,486	19,012,757

Valuation of land & property

The Authority plans to revalue its land and property every five years. Valuations were carried out by Chrystals Commercial, the Authority's external valuer and Chartered Surveyors, at 31 March 2014. The upwards revaluations and impairments in the table above have arisen from the valuation carried out. The basis for valuation is set out in the statement of accounting policies. Assets are further classified as:

	Non Operational Community Assets	Non Operational Investment property	Operational Community assets	Operational Social housing dwellings	Other Operational Land and buildings	Total
	£	£	£	£	£	£
Valued at historic cost	50,508	-	2,066	49,809	-	102,383
Net current replacement cost	-	780,000	-	14,360,718	2,485,000	17,625,718
	50,508	780,000	2,066	14,410,527	2,485,000	17,728,101

Port St. Mary Village Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2014)

1. Tangible fixed assets - continued

As at 31 March 2014, the portfolio of 122 dwellings were valued at a value of £14,360,718 after allowing for a discount to reflect that it is intended to keep and maintain the stock in perpetuity. If the discount is not applied then the open market (vacant possession) value of the dwellings would be £21,540,000; the difference in valuations represents the economic cost to the Authority of providing housing at less than open market rents.

Depreciation methodologies

Depreciation is provided on all assets, on a straight line basis, with a finite useful life, other than freehold land and investment property. Depreciation is calculated on Balance Sheet values over periods reflecting the following estimated useful lives:

Property and dwellings (including associated Housing Revenue Account assets) – 30 to 50 years
 Social housing improvements – 15 years
 Community assets – 50 years
 Other buildings – 20 to 30 years
 Motor vehicles, plant and equipment – 3 to 10 years
 Street lighting – 15 years

2. Assets held

Operational assets	Number at 31 March 2013	Changes 2013/14	Number at 31 March 2014
Dwellings			
Dwellings – Houses and bungalows	106	-	106
Dwellings – flats and maisonettes	16	-	16
Other Land and Buildings			
Car parks	4	-	4
Depots	1	-	1
Public Conveniences	2	-	2
Public Halls / offices	1	-	1
Community Assets			
Golf course / recreational areas	1	-	1
Parks, gardens and open spaces	7	-	7
Non-Operational assets			
Commercial properties	2	-	2
Other properties	3	-	3
Agricultural land	1	-	1
Garages (general fund)	16	-	16

Port St. Mary Village Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2014)

3. Intangible Fixed Assets

These represent software items which are amortised over 5 years

	31 March 2014
Cost	£
At 1 April 2013	10,000
Additions in the year	-
	<hr/>
At 31 March 2014	10,000
	<hr/> <hr/>
Amortisation	
At 1 April 2013	4,000
Amortisation in the year	2,000
	<hr/>
At 31 March 2014	6,000
	<hr/> <hr/>
Net Book Value	
At 31 March 2014	4,000
	<hr/>
At 31 March 2013	6,000
	<hr/> <hr/>

4. Capital expenditure and financing

	2013/14	2012/13
	£	£
Capital investment		
Infrastructure assets	-	2,849
Operational assets	112,560	237,029
Non operational community assets	-	50,508
	<hr/>	<hr/>
	112,560	290,386
	<hr/> <hr/>	<hr/> <hr/>
Sources of finance		
Isle of Man Bank Loans and overdrafts	42,517	85,483
Contribution from general fund	5,164	99,766
Contribution from housing revenue	64,879	-
Contribution from capital receipts reserve	-	75,000
Donations towards Anchor costs	-	30,137
	<hr/>	<hr/>
	112,560	290,386
	<hr/> <hr/>	<hr/> <hr/>

At the year end, £45,170 was accrued in respect of capital expenditure (2013: £102,758) relating to 2013/14 additions. These additions are not included in the above note.

5. Capital commitments

There were no commitments for capital expenditure that had started, or legal contracts entered into, at 31 March 2013. At 31 March 2014, there were commitments totalling £341,371.

Port St. Mary Village Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2014)

6. Debtors

	2014 £	2013 £
Amounts falling due in one year:		
Government departments	54,199	28,917
Ratepayers (note 9)	3,012	2,291
Housing rents	7,618	4,930
Trade debtors	8,861	9,932
Sundry debtors	22,434	208
Prepayments	24,105	23,985
Value Added Tax	16,184	5,903
	<u>136,413</u>	<u>76,166</u>

Debtor balances are shown net of provisions for bad or doubtful debts. Details of these provisions are given at note 9.

7. Cash

The cash in hand figure at 31 March 2014 was £739,598 (2013: £826,086). An analysis of the cash movements and the movement in net debt is provided in the cash flow statement and its notes on pages 19 to 20.

8. Creditors

Current liabilities:	2014 £	2013 £
Deferred income	603	603
Housing rents	11,103	12,757
Sundry creditors and accruals	117,133	157,557
Government departments	9,708	55,824
	<u>138,547</u>	<u>226,741</u>
Long term liabilities:	2014 £	2013 £
Deferred income	28,328	28,931

During the prior year, donations were received totalling £30,137 towards the costs of the restoration of the Anchor at Mona's memorial site. This income will be credited to the Income and Expenditure account over 50 years, being the estimated useful life of the asset. The remaining balance is shown within creditors as deferred income, split between current and long term liabilities.

9. Provisions

The Authority has provided against £13,719 (2013: £15,386) of rates income that is over one year old and 50% of current year arrears. In addition, £878 (2013: £1,639) has been provided against potentially irrecoverable trade debtors and rents. £190 of rates arrears have been written off in the year as irrecoverable (2013: £725) and £1,215 (2013: £nil) have been written off against other debtors.

Port St. Mary Village Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2014)

10. Capital reserves and accounts

	Pensions Reserve	Capital receipts reserve	Revaluation reserve	Capital adjustment account
	£	£	£	£
Balance at 1 April 2013	(426,000)	130,411	12,151,423	713,069
Movement in the year	(158,000)	-	(131,421)	977,852
Revaluation/adjustment in year	-	-	(1,939,414)	-
Transfers between reserves	-	-	-	64,879
Balance at 31 March 2014	<u>(584,000)</u>	<u>130,411</u>	<u>10,080,588</u>	<u>1,755,800</u>

Revenue reserves

	Housing revenue Account	Housing maintenance Account	General revenue account	Total
	£	£	£	£
Balance at 1 April 2013	11,262	258,146	128,744	398,152
Net surplus for year	(11,262)	13,049	106,876	108,663
Transfer between reserves	-	(64,879)	-	(64,879)
Balance at 31 March 2014	<u>-</u>	<u>206,316</u>	<u>235,620</u>	<u>441,936</u>

11. Analysis of net assets employed

	2014 £	2013 £
General revenue account	3,290,347	3,293,517
Housing revenue account	8,534,388	9,673,538
	<u>11,824,735</u>	<u>12,967,055</u>

Port St. Mary Village Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2014)

12. Borrowings

Loans outstanding are the amounts borrowed from external lenders at the balance sheet date. They may be analysed as follows:

	2014	2013
	£	£
Analysis of loans by type:		
Isle of Man Bank Loans	6,072,674	6,272,282
	<u>6,072,674</u>	<u>6,272,282</u>
Analysis of loans by maturity:		
Less than 1 year	195,800	200,957
Between 1 and 2 years	205,486	208,182
Between 2 and 5 years	655,210	665,269
Between 5 and 10 years	1,155,351	1,222,993
More than 10 years	3,860,827	3,974,881
	<u>6,072,674</u>	<u>6,272,282</u>
Total outstanding	6,072,674	6,272,282

In recent years the authority has taken out Isle of Man Bank loan finance to fund long term capital projects. Each of these loans are unsecured, repayable in instalments over a period of between 15 and 30 years. The interest charged on these loans varies between 4.95% and 5.60% on fixed term loans and at LIBOR plus 0.65% on variable rate loans.

Such loans have been sanctioned on a loan by loan basis by both Treasury and the Department of Infrastructure and/or the Department of Social Care and are secured by way of a Letter of Comfort issued by Treasury.

13. Contingent assets and liabilities

There were no known contingent assets or liabilities at either the current or prior year end.

14. Post balance sheet events

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

15. Members' allowances

During 2013/14 the Authority paid £3,600 (2012/13:£ 3,570) to its Members in respect of their attendance at meetings, undertaking duties and responsibilities.

Port St. Mary Village Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2014)

16. Employees' remuneration

There were no employees whose remuneration, excluding pension contributions, was £50,000 or more in the current or prior year.

17. Related party transactions

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central Government - has a direct influence over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates.

With effect from 1 April 2013 Port St Mary Commissioners took over the management support of Marashen Crescent Housing Committee and are related by virtue of common influence.

During the year, Marashen Crescent was charged £23,054 (2013: £Nil) in respect of administration charges and repairs. There is a balance owing of £21,311 (2013: £Nil) to Port St Mary Commissioners in this respect.

All Commissioners and officers of the Authority are asked to complete a disclosure statement in respect of themselves and their family members/close relatives, detailing any material transactions with related parties.

Officers of the Authority - no related party disclosures arose in relation to officers.

18. Audit fees

During 2013/14 the Authority incurred the following fees relating to external audit and inspection:

	2013/14	2012/13
	£	£
Fees payable with regard to external audit services carried out by the appointed auditor		
- current year	6,720	6,720
- additional costs incurred (re 2012/13 and 2011/12)	-	4,594

19. Total rateable value

The total rateable value of the Village at 31 March 2014 is £141,815 (2013: £141,942) at the year end with a 306p rate being charged (2013: 306p).

Port St. Mary Village Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2014)

20. Investments

The Authority has representation on the board of the Southern Civic Amenity Site ('the Board'), a Joint Board established under the Southern Civic Amenity Board Order 2000, in accordance with section 7 of the Local Government Act 1985. The Board comprises representative members from various southern local authorities whereby each representative member has access to the rewards, and exposure to the associated risks, arising from the operation of the Board.

The Board is managed jointly by its representative members, with no single member having control or the right to exercise dominant or significant influence. Accordingly the Authority's interest in the Board is considered to be an 'Investment' as defined by the SORP. The Authority, together with the other representative members, fund the Board to the extent necessary to maintain its operations, but have made no capital contribution to the Board and therefore the investment is recorded at nil value.

21. Housing fixed assets

	Operational assets
	Dwellings
	£
Cost/valuation	
At 31 March 2013	16,928,922
Additions in the year	49,808
Revaluation in year	106,264
Impairment in year	(2,674,468)
At 31 March 2014	14,410,526

Depreciation in respect of housing stock has been charged against the revaluation reserve of £131,426 for the year (2013: £131,421). The remaining depreciation is charged to the capital adjustment account. All depreciation was then subsequently reversed out of the revaluation reserve and capital adjustment account following the full valuation that was carried out in the year.

22. HRA capital expenditure

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

	2013/14	2012/13
	£	£
Borrowing	40,028	22,817

Accruals at the year end in respect of housing capital expenditure totalled £42,517 (2013: £100,104).

Port St. Mary Village Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2014)

23. Housing Maintenance Account

	2013/14	2012/13
	£	£
Balance at 1 April 2013	258,146	244,378
Movement in year	(51,830)	13,768
Balance at 31 March 2014	<u>206,316</u>	<u>258,146</u>

24. Gross rent income

Gross rent income is the total rent due for the year after voids, write-offs, refunds etc. Voids of £1,663 (2013:£ 4,281) represent 0.34% of the rental debit for the year, compared to 1.00% in 2012/13.

25. Housing deficiency grant

Housing deficiency grant is paid from central government to meet the shortfall which might be incurred by the Authority. The amount of deficiency receivable is shown as follows:

	2013/14	2012/13
	£	£
Deficiency receivable at year end re 2013/14	27,039	-
Deficiency receivable at year end re 2011/12	-	15,608
	<u>27,039</u>	<u>15,608</u>

During the year £38,859 (2013: £7,064) was received in respect of housing deficiency.

26. Housing stock

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

	2013/14	2012/13
	No's	No's
Houses and bungalows	106	106
Flats and maisonettes	16	16
	<u>122</u>	<u>122</u>

27. Rent arrears

	2013/14	2012/13
	£	£
Rent arrears	7,618	4,930
Rent arrears as a percentage of gross rent income	<u>1.6%</u>	<u>1.2%</u>

Arrears written off during the year amounted to £942 (£Nil in 2012/13).

Port St. Mary Village Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2014)

28. Pensions

As part of the terms and conditions of employment of its employees, the authority offers retirement benefits. Although these benefits will not actually be payable until employees retire, the authority has a commitment to make these payments. The Authority participates in the Isle of Man Local Government Superannuation Scheme administered by Douglas Borough Council in accordance with the Isle of Man Local Government Superannuation Scheme Regulations 2012. This is a defined benefit statutory scheme. The Authority and its employees pay contributions into the scheme and these contributions are calculated at a level intended to balance the pensions liabilities with investment assets.

During the financial year the cost of pensions contributions £35,000 (2013: £34,000) has been charged to the Income and Expenditure Account. The Authority must also disclose its share of the assets and liabilities related to the scheme for its employees.

The assets and liabilities of the Scheme as at 31 March 2014 were valued by the Fund's actuaries, Hymans Robertson, using the projected unit method, which assesses the future liabilities of the Scheme discounted to their present value. The main financial assumptions used in the calculations are:

Assumptions	31 March 2014 % per annum	31 March 2013 % per annum
Rate of increase in salaries	4.1%	5.1%
Rate of increase in pensions	2.8%	2.8%
Rate for discounting scheme liabilities	4.3%	4.5%
Rate of expected return on assets	5.8%	5.0%

The actuary has also adopted a set of demographic assumptions that are consistent with those used for the Superannuation Scheme at the last triennial valuation on 31st March 2013.

The actuary used this valuation as the basis for the Superannuation calculations. The assets in the Isle of Man Local Government Superannuation Scheme are valued at fair value, principally market value for investments, and the asset categories are shown in the Isle of Man Local Government Superannuation Scheme Accounts.

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

	31 March 2014 £	31 March 2013 £
Estimated employer assets	1,129,000	954,000
Present value of scheme liabilities	(1,713,000)	(1,380,000)
Net pensions liability	<u>(584,000)</u>	<u>(426,000)</u>

Port St. Mary Village Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2014)

28. Pensions (continued)

The fair value of the pension scheme assets at 31 March can be analysed as follows:-

	31 March 2014	31 March 2013
	£	£
Equities	756,000	677,000
Bonds	203,000	191,000
Property	136,000	76,000
Cash	34,000	10,000
	<hr/>	<hr/>
Estimated employer assets	1,129,000	954,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2013/14	2012/13
	£	£
Net cost of service		
Current service cost	38,000	32,000
Employer contribution payable to the Scheme	(35,000)	(34,000)
	<hr/>	<hr/>
	3,000	(2,000)
	<hr/> <hr/>	<hr/> <hr/>
Net operating expenditure		
Interest cost	62,000	57,000
Expected return on employer assets	(48,000)	(44,000)
	<hr/>	<hr/>
	14,000	13,000
	<hr/> <hr/>	<hr/> <hr/>

The net deficit on the scheme has increased from £426,000 to £584,000. An analysis of the movement during the year is shown below:

	2013/14	2012/13
	£	£
Net pension liability at the beginning of the year	(426,000)	(349,000)
Current service cost	(38,000)	(32,000)
Employer contributions	35,000	34,000
Expected return on employer assets	48,000	44,000
Actuarial losses	(141,000)	(66,000)
Interest cost	(62,000)	(57,000)
	<hr/>	<hr/>
Net pension liability at the end of the year	(584,000)	(426,000)
	<hr/> <hr/>	<hr/> <hr/>

Port St. Mary Village Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2014)

28. Pensions (continued)

The recommended financial assumptions used in the report also include the following information:

Breakdown of the expected return on assets by category	2013/14	2012/13
	£	£
Equities	6.6%	5.7%
Bonds	3.5%	2.9%
Property	4.8%	3.9%
Cash	3.7%	3.0%

The actuarial gains have been further analysed in the following table, measured as absolute amounts and as a percentage of assets or liabilities as at the end of the financial year:

	2013/14		2012/13	
	£	Actuarial gain/loss as % of assets/liabilities	£	Actuarial gain/loss as % of assets/liabilities
Value of assets at end of year	1,129,000		954,000	
Total present value of liabilities	(1,713,000)		(1,380,000)	
Difference between the actual and expected return on assets	17,000	1.51%	62,000	6.50%
Actuarial losses recognised in the statement	(141,000)	8.23%	(66,000)	4.78%

The above figures have been provided by the actuaries to the Isle of Man Local Government Superannuation Scheme using information provided by the Scheme, and assumptions determined by the Authority in conjunction with the actuary. Actuarial calculations involve estimates based on assumptions about events and circumstances in the future, which may mean that the result of actuarial calculations could be affected by uncertainties within a range of possible values.

The net liability represents the difference between the value of the Authority's share of assets in the Scheme and the value of the future pension payments to which it was committed at that date. These pension liabilities will be paid out over a period of many years, during which time the assets will continue to generate returns towards funding them. Any significant changes in the global equity markets after 1 April 2014 would also have an impact on the capital value of the pension fund assets.

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

Port St. Mary Village Commissioners

Detailed Income and Expenditure Account for the year ended 31 March 2014

		2014		2013
	£	£	£	£
Administration and general purposes				
Salaries, office wages, NIC etc	69,009		83,016	
Manual wages	714		225	
Audit fees	6,734		11,289	
Accountancy, internal audit and professional	18,684		14,564	
Legal and consultancy	466		1,010	
Printing and stationery	1,860		1,256	
Photocopying	1,068		326	
Incidentals	129		477	
Election expenses	-		2,685	
Memberships and subscriptions	565		390	
Bank charges	2,868		3,039	
Travel expenses	260		1,001	
Attendance allowance	3,600		3,570	
Computer charges	2,668		5,489	
Postage and cleaning	3,357		3,007	
Telephone	1,691		2,973	
Advertising	1,137		849	
Civic events	2,958		9,108	
		117,768		144,274
Less: Income				
Housing administration fee	29,053		29,053	
Marashen EPH admin fee	21,311		-	
Search fees	1,200		525	
		(51,564)		(29,578)
		66,204		114,696
		66,204		114,696
Direct labour – Central costs				
Manual workers – holiday and additional pay		14,699		21,141
Manual workers – sick pay		658		1,857
Vehicle costs, fuel and depreciation		7,127		15,175
Vehicles – wages		4,429		1,954
Miscellaneous		1,369		1,719
		28,282		41,846
		28,282		41,846

This page does not form part of the audited financial statements

Port St. Mary Village Commissioners

Detailed Income and Expenditure Account (continued) for the year ended 31 March 2014

	£	2014 £	£	2013 £
Property				
Depreciation	17,750		17,624	
Insurance	10,131		7,426	
Maintenance	697		586	
Town Hall costs (maintenance, heat, light, & rates)	7,595		15,824	
Town Hall maintenance wages	2,548		22,286	
Store	4,299		5,381	
Store – wages	4,987		4,649	
	<u> </u>	48,007	<u> </u>	73,776
Less: Income				
Lettings	13,194		14,829	
Rent – garages	18,899		16,177	
Rent – other	1,848	(33,941)	2,357	(33,363)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		14,066		40,413
		<u> </u>		<u> </u>
Refuse				
Wages	30,537		29,588	
Refuse expenses	52,619		31,366	
Vehicle Expenses	14,393		6,174	
Refuse bins	1,069		42	
Amenity site costs	25,726		24,506	
Refuse sacks	419		620	
	<u> </u>	124,763	<u> </u>	92,296
Less: Income				
Collection of refuse	9,507		9,290	
Amenity site lease rental	17,651		17,221	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		(27,158)		(26,511)
		<u> </u>		<u> </u>
		97,605		65,785
		<u> </u>		<u> </u>
Sewers (Drainage agency)				
Wages	88		169	
Sewer maintenance	-		6,349	
Machinery	-		471	
	<u> </u>	88	<u> </u>	6,989
Less: Income				
Government sewerage deficiency	-		8,511	
Sewer income	-		65	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		-		(8,576)
		<u> </u>		<u> </u>
		88		(1,587)
		<u> </u>		<u> </u>

This page does not form part of the audited financial statements

Port St. Mary Village Commissioners

Detailed Income and Expenditure Account (continued) for the year ended 31 March 2014

	2014		2013
	£	£	£
Public Works			
Street lighting	21,277		17,964
Street lighting - depreciation	4,477		4,300
Street lighting - wages	6		-
	<u>25,760</u>		<u>22,264</u>
Street cleaning and car parks			
Street cleaning – and maintenance of footpaths	13,214		1,382
Street cleaning - wages	17,393		6,183
Car parks	55		684
	<u>30,662</u>		<u>8,249</u>
Public conveniences			
Wages	3,949		2,612
General expenses	6,188		4,607
	<u>10,137</u>		<u>7,219</u>
Parks and Leisure			
Golf links			
Wages	716	273	
Maintenance	4,072	669	
Misc. inc rates & insurance	556	556	
Tennis courts	1,456	503	
	<u>6,800</u>		2,001
Less: Income			
Fees – golf	1,000	-	
Rents	15,750	15,750	
	<u>(16,750)</u>		<u>(15,750)</u>
	<u>(9,950)</u>		<u>(13,749)</u>
Maintenance of public areas			
Gardening & bedding plants & dog-litter warden	25,799		26,681
Grass cutting – labour and machinery	5,793		6,082
	<u>31,592</u>		<u>32,763</u>

This page does not form part of the audited financial statements

Port St. Mary Village Commissioners

Detailed Income and Expenditure Account (continued) for the year ended 31 March 2014

	2014 £	2013 £
Public Amenities		
Annual contribution to Southern Local Authority		
Swimming Pool	3,516	3,501
Outdoor seating	590	634
Outdoor seating – wages	9,664	3,505
Playground equipment	529	1,355
Playground – wages	259	400
Christmas tree	1,333	731
Christmas tree – wages	1,196	527
Signage	175	877
Signage – wages	224	378
Chapel Beach – cleaning & bathing raft	794	202
Chapel Beach – wages	1,649	2,710
Miscellaneous	791	1,003
Mariners shelter	1,289	-
Anchor	4,845	-
Depreciation - Anchor	1,010	1,010
	<hr/>	<hr/>
	27,864	16,833
Less: Income		
Memorial seats subscriptions	(650)	(1,300)
Release of deferred income	(603)	(603)
	<hr/>	<hr/>
	26,611	14,930
Guides and general advertising		
Plaques and flags	51	625
Flags – wages	864	1,154
Wages	484	232
	<hr/>	<hr/>
	1,399	2,011
Bad Debt provision		
Bad Debt provision	(1,667)	(987)
Bad Debt write off	850	725
	<hr/>	<hr/>

This page does not form part of the audited financial statements

