

# **Port St. Mary Village Commissioners**

## **Statement of Accounts**

**For the year ended 31 March 2017**

# 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 2017. 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 2017 the deficit for the year amounted to £161,212 (2016 deficit: £115,242). 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 2017, the surplus amounted to £17,431, (2016 deficit: £84,178) meaning the authority now has general fund reserves of £21,404 (2016: £3,973). During the year, the general fund contributed to the costs of capital assets totalling £201,597 (2016: £124,911) including the purchase of Manxonia House. It was agreed to transfer an amount of £198,119 from capital adjustment account to General revenue towards the cost of this asset.

### **Housing Revenue Account**

The Housing Revenue Account shows the income and expenditure on Authority housing. The financial year ended 31 March 2017 resulted in a deficit of £9,866, (2016 deficit: £41,829). 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. Housing revenue account funded £45,371 (2016: £175,192) of asset additions in the year from the repairs allowance.

The deficiency requirement for the year is £38,003 (2016: £22,418).

### **Capital Expenditure and Borrowing**

Total capital expenditure in the year was £387,865 (2016 : £337,301) and was financed by Isle of Man Bank loans and overdraft facilities except for contributions from general revenue reserves and housing revenue reserves as detailed above.

Accruals at the year end in respect of capital expenditure totalled £Nil (2016: £3,810).

# **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 (2016: 306p) in the £. The rateable value at 1 April 2017 is £143,766 (2016: £143,350).

Total rates debtors were £16,883 (2016: £15,405) although this amount includes £5,398 (2016: £3,392) which was received from Treasury post year end. Prior year rates were recovered totalling £4,597 (2016: £1,984).

### **Pensions Liability**

The Statement of Recommended Practice requires the Authority to disclose certain information within its Statement of Accounts and this appears in note 27 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 2017, and amounts to £676,000 (2016: £645,000). No current provision exists to meet this deficit, which will be addressed by future contributions to the Pension Fund.

This increase is primarily as a result of actuarial losses in the year due to changes in actuarial assumptions.

# 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 certain land and buildings and in accordance with United Kingdom Generally Accepted Accounting Principles.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and 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. This SORP is recognised under the Audit Act 2006 and the Accounts and Audit Regulations 2013 as representing proper accounting practices.

The SORP is based on Accounting Standards and the Urgent Issues Task Force's (UITF) Abstracts issued by the Financial Reporting Council (the 'Standards'), except where these are inconsistent with specific statutory requirements. The SORP prescribes the accounting treatment and disclosures for all normal transactions of the authority. Where accounting treatments and disclosure requirements are not covered by the SORP, but which are covered by the Standards, the requirements of the relevant standard should be followed.

The Standards upon which the SORP is based were replaced by the Financial Reporting Council for periods ending on or after 31 December 2015. The SORP has not been updated to reflect the requirements of the new standards, or those of another acceptable accounting framework such as the Code of Practice on Local Authority Accounting (modified as necessary for application to Isle of Man bodies) issued by the Chartered Institute of Public Finance & Accountancy (the "CIPFA Code"). Whilst there are measurement and presentational differences between the requirements of the SORP and those of the CIPFA code, these are not considered to be of sufficient significance such that the Statement of Accounts prepared in line with the SORP would not give a true and fair view.

Key principles of the SORP 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. However all identifiable expenditure in relation to Town Hall improvements have been capitalized regardless of cost in the year.

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

# Port St. Mary Village Commissioners

## Statement of Accounting Policies (continued)

### **Valuations - continued**

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.

### **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 Health and 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 2016/17 contributions being based on the results of the review as at 31 March 2016. 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 2017 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 there were no high risk observations in the year.

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 2017.

(Signed)  (Signed)   
(Chairman)  
(Dated) 12/10/17

# Port St. Mary Village Commissioners

## INDEPENDENT AUDITOR'S REPORT 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 2017 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 auditor**

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 accountancy 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**

As disclosed, in note 10 to the financial statements, the Authority has transferred £198,911 from the Capital Adjustment Account to the General Revenue Account. We were unable to obtain sufficient, appropriate audit evidence in respect of this transaction, and consequently we were unable to conclude as to its appropriateness.

# Port St. Mary Village Commissioners

## INDEPENDENT AUDITOR'S REPORT TO THE COMMISSIONERS OF PORT ST MARY VILLAGE COMMISSIONERS - CONTINUED

### Qualified opinion

In our opinion, except for the possible effects of the matter referred to 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 2017 and of its result 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.

### Emphasis of matter - Basis of accounting

Without modifying our opinion, we draw attention to Statement of Accounting Policies in the financial statements which describes the basis of preparation. The financial statements have been prepared in accordance with the SORP, which is based on an accounting framework that is no longer extant.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the section 4 of the Audit Act 2006 requires us to report to you if, in our opinion:

- the financial statements do not comply with the regulations made under section 12 of the Act and any directions under section 13; or
- expenditure or income of 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 controls maintained by it are not sufficient as to secure proper management of the finances of the authority and economy and efficiency in the use of its resources.



**Grant Thornton Limited**  
**Chartered Accountants**  
Douglas  
Isle of Man

Date 24 October 2017

# Port St. Mary Village Commissioners

## Income and Expenditure Account

For the year ended 31 March 2017

Statement of net expenditure	Notes	2017	2017	2016	2016
		£	£	£	£
<i>Income Generated from:</i>					
Administration and general purposes		83,831		80,695	
Property		39,206		33,522	
Refuse		29,726		29,385	
Parks and leisure		16,533		16,750	
Public amenities		1,287		1,612	
Profit on sale of assets		1,180		-	
			171,763		161,964
<i>Less expenditure generated by:</i>					
Administration and general purposes		202,481		177,746	
Direct labour – central costs		73,831		48,097	
Property		105,567		118,223	
Refuse Collection		146,112		134,057	
Public works		30,628		26,207	
Street cleaning and car parks		25,559		23,540	
Public conveniences		3,535		5,207	
Parks and leisure		7,665		10,823	
Maintenance of public areas		16,726		30,175	
Public amenities		24,898		25,516	
Guides and general advertising		1,097		2,807	
Bad debt provision		3,376		5,837	
Bad debts written off		(88)		(210)	
			(641,387)		(608,025)
Current service cost of Pensions	27		(21,000)		(34,000)
<b>Net cost of General Revenue Fund services</b>			<b>(490,624)</b>		<b>(480,061)</b>
Housing Services – income		669,039		632,063	
Less: Gross Expenditure		(508,613)		(492,926)	
			160,426		139,137
<b>Net cost of services</b>			<b>(330,198)</b>		<b>(340,924)</b>
Impairment of assets			(67,500)		-
Interest payable and similar charges			(170,292)		(180,966)
Interest receivable			149		540
Pensions interest cost and return on net assets			(8,000)		(4,000)
<b>Net operating expenditure</b>			<b>(575,841)</b>		<b>(525,350)</b>
<b>Sources of finance</b>					
General rates		419,327		414,824	
Less: Collection charges		(4,698)		(4,716)	
<b>Income from General rates</b>			<b>414,629</b>		<b>410,108</b>
<b>Net deficit for the year</b>			<b>(161,212)</b>		<b>(115,242)</b>

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 2017

	2017 £	2016 £
<b>Deficit for the year on the income and expenditure account</b>	<b>(161,212)</b>	<b>(115,242)</b>
<b>Amounts included in the Income and Expenditure account but required by statute to be excluded when determining the Movement on the General Fund Balance</b>		
Profit on sale of assets	(1,180)	-
Impairment of assets	67,500	-
Reversal of net charges made for retirement benefits in accordance with the SORP	29,000	38,000
Depreciation charge for the year	77,538	76,749
Release of deferred income	(603)	(603)
<b>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</b>		
Revenue contribution to capital assets	(201,597)	(124,911)
<b>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</b>		
Transfer from Capital Adjustment Account	198,119	-
Transfer from Housing Revenue Account	9,866	41,829
	<u>17,431</u>	<u>(84,178)</u>
<b>General Fund Balance brought forward</b>	<b>3,973</b>	<b>88,151</b>
<b>General Fund Balance carried forward</b>	<b><u>21,404</u></b>	<b><u>3,973</u></b>

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 2017

	Notes	2017 £	2017 £	2016 £	2016 £
<b>Income</b>					
Dwelling rents and rates	23	631,036		609,645	
Contributions towards expenditure including Housing Deficiency Payments	24	38,003		22,418	
<b>Total income</b>			<b>669,039</b>		<b>632,063</b>
<b>Expenditure</b>					
Repairs and maintenance		29,977		48,494	
Housing repairs – wages		50,504		37,639	
Administration allowance		29,819		29,053	
Depreciation charge for the year		293,681		281,517	
Rent, rates, taxes and other charges		89,053		81,753	
Insurance costs		13,496		12,470	
Legal costs		1,780		-	
Bad debts		303		-	
Amortisation		-		2,000	
			<b>(508,613)</b>		<b>(492,926)</b>
Net income from HRA services			<b>160,426</b>		<b>139,137</b>
Interest payable and similar charges			<b>(170,292)</b>		<b>(180,966)</b>
<b>Deficit for the year on the Housing revenue income and expenditure account</b>			<b>(9,866)</b>		<b>(41,829)</b>

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 2017

	2017	2016
	£	£
<b>Deficit for the year on the HR income and expenditure account</b>	<b>(9,866)</b>	<b>(41,829)</b>
<b>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 for the year</b>		
Depreciation charge for the year	293,681	281,517
Amortisation	-	2,000
<b>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</b>		
Housing revenue contribution to assets	(45,371)	(175,192)
Loan principal repayments	(245,961)	(209,245)
	<hr/>	<hr/>
<b>(Deficit)/surplus for the year before transfers to reserves</b>	<b>(7,517)</b>	<b>(142,749)</b>
<b>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</b>		
Transfers from/(to) Housing Maintenance Account	7,517	142,749
	<hr/>	<hr/>
	-	-
Housing Revenue Account Balance brought forward	-	-
	<hr/>	<hr/>
<b>Housing Revenue Account Balance carried forward</b>	<b>-</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>

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 2017

		2017 £	2016 £
<b>Deficit on the income and expenditure account for the year</b>		<b>(161,212)</b>	<b>(115,242)</b>
Actuarial gains/(losses) on Pension Fund Assets and Liabilities	27	<u>(2,000)</u>	<u>154,000</u>
<b>Total recognised gains and losses for the year</b>		<b><u>(163,212)</u></b>	<b><u>38,758</u></b>

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

# Port St. Mary Village Commissioners

## Balance Sheet

As at 31 March 2017

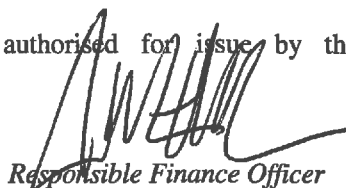
	Notes	2017	2016
		£	£
<b>Fixed assets</b>			
Tangible fixed assets	1, 2	17,919,226	17,977,209
Intangible fixed assets	3	-	-
		<u>17,919,226</u>	<u>17,977,209</u>
<b>Current assets</b>			
Debtors	6	84,693	63,551
Cash at bank and short term investments	7	248,945	430,032
		<u>333,638</u>	<u>493,583</u>
<b>Current liabilities</b>			
Creditors – amounts falling due within one year	8	(132,777)	(121,629)
Bank loans	12	(257,470)	(241,249)
		<u>(390,247)</u>	<u>(362,878)</u>
<b>Long term liabilities</b>			
Bank loans	12	(5,662,537)	(5,775,019)
Net defined benefit pension liability	27	(676,000)	(645,000)
Deferred income	8	(26,520)	(27,123)
		<u>(6,365,057)</u>	<u>(6,447,142)</u>
<b>Total assets less liabilities</b>		<u><u>11,497,560</u></u>	<u><u>11,660,772</u></u>
<b>Financed by:</b>			
General revenue account	10	21,404	3,973
Housing maintenance account	10	79,811	87,328
Housing revenue account	10	-	-
Capital receipts reserve	10	55,411	55,411
Capital adjustment account	10	2,524,323	2,425,456
Pension reserve	10,27	(676,000)	(645,000)
Revaluation reserve	10	9,492,611	9,733,604
		<u>11,497,560</u>	<u>11,660,772</u>

The financial statements were approved and authorised for issue by the Authority on 12 October 2017 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 2017

Revenue activities	2017 £	2017 £	2016 £	2016 £
<b>Cash outflows</b>				
Cash paid to and on behalf of employees	(329,927)		(299,295)	
Other operating cash payments	(398,026)		(421,040)	
		(727,953)		(720,335)
<b>Cash inflows</b>				
Rents	60,081		72,587	
Rents (after rebates) – housing stock	642,147		612,965	
Rate receipts	413,239		416,666	
Cash received for goods and services	55,851		52,753	
Grants received	26,270	1,197,588	71,698	1,226,669
<b>Net cash inflow from revenue activities</b>		<b>469,635</b>		<b>506,334</b>
<b>Returns on Investments and servicing of finance</b>				
<b>Cash outflows</b>				
Interest paid	(171,246)		(180,491)	
		(171,246)		(180,491)
<b>Cash inflows</b>				
Interest received – revenue	149		520	
Interest received – housing	-		20	
		149		540
<b>Capital activities</b>				
<b>Cash outflows</b>				
Purchase of fixed assets	(387,865)		(337,301)	
		(387,865)		(337,301)
<b>Cash inflows</b>				
Sale of fixed assets	4,500		-	
		4,500		-
<b>Net cash outflow before financing</b>		<b>(84,827)</b>		<b>(10,918)</b>
<b>Management of liquid resources</b>				
Decrease in short term deposits		272,308		215,171
<b>Financing</b>				
<b>Cash outflows</b>				
Repayments of amounts borrowed	(245,961)		(209,246)	
		(245,961)		(209,246)
<b>Cash inflows</b>				
Bank loans taken out in year	149,700		-	
		149,700		-
<b>Increase/(decrease) in cash</b>		<b>91,220</b>		<b>(4,993)</b>

# Port St. Mary Village Commissioners

## Notes to the Cash Flow Statement for the year ended 31 March 2017

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

	2017 £	2016 £
Net deficit for the year on general fund income and expenditure account	(161,212)	(115,242)
Impairment of assets	67,500	-
Depreciation	371,219	358,266
Profit on sale of assets	(1,180)	-
Release of deferred liability	(603)	(603)
Amortisation	-	2,000
Adjust for appropriations to pension reserves	29,000	38,000
Interest paid	171,246	180,491
Interest received	(149)	(540)
(Increase)/decrease in debtors	(21,142)	21,811
Increase in creditors	14,956	22,151
	<u>469,635</u>	<u>506,334</u>

### 2. Reconciliation of the movement in net debt

	2017 £	2016 £
Net debt at 1 April	(5,586,235)	(5,575,317)
Movement in net debt:		
Short term deposit	(272,308)	(215,171)
Increase in cash in the period	91,220	353,007
Inflow/(outflow) from increase in debt financing	96,261	(148,754)
	<u>(84,827)</u>	<u>(10,918)</u>
Net debt at 31 March	<u>(5,671,062)</u>	<u>(5,586,235)</u>

### 3. Reconciliation of financing and management of liquid resources

	Balance at 31 March 2016	Cash Movement £	Non Cash movement £	Balance at 31 March 2017 £
Cash at bank	30,770	91,220	-	121,990
Bank overdraft	-	-	-	-
	<u>30,770</u>	<u>91,220</u>	<u>-</u>	<u>121,990</u>
Short term investments	399,263	(272,308)	-	126,955
Net debt:				
Due within one year	(241,249)	245,961	(262,182)	(257,470)
Due after one year	(5,775,019)	(149,700)	262,182	(5,662,537)
	<u>(5,586,235)</u>	<u>(84,827)</u>	<u>-</u>	<u>(5,671,062)</u>

# Port St. Mary Village Commissioners

## General Rate Fund

as at 31 March 2017

	<i>Notes</i>	<b>2017</b>	<b>2017</b>	2016	2016
		£	£	£	£
Total rates levied for the year			439,116		437,882
<i>Add:</i>					
Due from Treasury re prior year		3,392		13,142	
Arrears brought forward		12,013		8,611	
		<u>          </u>	15,405	<u>          </u>	21,753
<i>Less:</i>			454,521		459,635
Discounts		(16,875)		(17,086)	
Exempt and unoccupied properties		(2,914)		(5,972)	
Collection charge		(4,698)		(4,716)	
		<u>          </u>	(24,487)	<u>          </u>	(27,774)
Treasury write back/(off)			88		210
<b>Total rates collectable</b>			<u>430,122</u>		<u>432,071</u>
Rates received in the year:					
Current year rates		405,250		401,540	
Arrears collected		4,597		1,984	
Balance from Treasury re prior year		3,392		13,142	
		<u>          </u>	413,239	<u>          </u>	416,666
<b>Balances outstanding carried forward:</b>					
Due from Treasury re current year		5,398		3,392	
Arrears - current year		3,981		5,175	
- previous years		7,504		6,838	
		<u>          </u>	16,883	<u>          </u>	15,405
			<u>430,122</u>		<u>432,071</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 2017)

### 1. Tangible fixed assets

	Other Land and Property	Social Housing	Street Lighting	Motor Vehicles, Plant and Equipment	Total
Cost/Value	£	£	£	£	£
At 1 April 2016	3,634,915	14,887,441	134,515	136,706	18,793,577
Additions in the year	198,060	182,457	1,264	2,274	384,055
Disposals in the year	-	-	-	(4,150)	(4,150)
Impairment in the year	(67,500)	-	-	-	(67,500)
<b>At 31 March 2017</b>	<b>3,765,475</b>	<b>15,069,898</b>	<b>135,779</b>	<b>134,830</b>	<b>19,105,982</b>
<b>Depreciation</b>					
As at 1 April 2016	118,302	550,796	42,583	104,687	816,368
Charge for the year	61,098	293,681	9,052	7,387	371,218
Disposals in the year	-	-	-	(830)	(830)
<b>At 31 March 2017</b>	<b>179,400</b>	<b>844,477</b>	<b>51,635</b>	<b>111,244</b>	<b>1,186,756</b>
<b>Net book value</b>					
At 31 March 2017	3,586,075	14,225,421	84,144	23,586	17,919,226
At 31 March 2016	3,516,613	14,336,645	91,932	32,019	17,977,209

The above table shows social housing separately from other land and buildings to provide additional disclosure.

### 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 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	125,065	-	2,066	709,180	440,844	1,277,155
Net current replacement cost	-	712,500	-	14,360,718	2,485,000	17,558,218
	<b>125,065</b>	<b>712,500</b>	<b>2,066</b>	<b>15,069,898</b>	<b>2,925,844</b>	<b>18,835,373</b>



# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2017)

### 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 2016	Changes 2016/17	Number at 31 March 2017
<b>Dwellings</b>			
Dwellings – Houses and bungalows	106	-	106
Dwellings – flats and maisonettes	16	-	16
<b>Other Land and Buildings</b>			
Car parks	4	-	4
Depots	1	-	1
Public Conveniences	2	-	2
Public Halls / offices	1	1	2
<b>Community Assets</b>			
Golf course / recreational areas	1	-	1
Parks, gardens and open spaces	7	-	7
<b>Non-Operational assets</b>			
Commercial properties	2	-	2
Other properties	3	-	3
Agricultural land	1	-	1
Garages (general fund)	16	(6)	10

# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2017)

### 3. Intangible Fixed Assets

These represent software items which are amortised over 5 years

	<b>31 March 2017</b>
<b>Cost</b>	<b>£</b>
At 1 April 2016	10,000
Additions in the year	-
	<hr/>
At 31 March 2017	<b>10,000</b>
	<hr/> <hr/>
<b>Amortisation</b>	
At 1 April 2016	10,000
Amortisation in the year	-
	<hr/>
At 31 March 2017	<b>10,000</b>
	<hr/> <hr/>
<b>Net Book Value</b>	
At 31 March 2017	-
	<hr/>
At 31 March 2016	-
	<hr/> <hr/>

### 4. Capital expenditure and financing

	<b>2016/17</b>	<b>2015/16</b>
	<b>£</b>	<b>£</b>
<b>Capital investment</b>		
Infrastructure assets	1,264	14,862
Operational assets	382,791	279,621
Non operational community assets	-	10,841
	<hr/>	<hr/>
	<b>384,055</b>	<b>305,324</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Sources of finance</b>		
Isle of Man Bank Loans and overdrafts	137,087	5,221
Contribution from general fund	201,597	124,911
Contribution from housing revenue	45,371	175,192
	<hr/>	<hr/>
	<b>384,055</b>	<b>305,324</b>
	<hr/> <hr/>	<hr/> <hr/>

At the year end £Nil was accrued in respect of capital expenditure (2016: £3,810) relating to 2016/17 additions. These additions are not included in the above note.

### 5. Capital commitments

There were commitments of £Nil in respect of capital expenditure that had started, or legal contracts entered into, at 31 March 2016 and 2017.

# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2017)

### 6. Debtors

	2017	2016
	£	£
Amounts falling due in one year:		
Government departments	28,796	19,259
Ratepayers (note 9)	1,991	2,588
Housing rents	11,152	12,681
Trade debtors	4,573	6,787
Sundry debtors	5,493	12,497
Prepayments	25,806	1,081
Value Added Tax	6,882	8,658
	<u>84,693</u>	<u>63,551</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 2017 was £248,945 (2016: £430,032). 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:	2017	2016
	£	£
Deferred income	603	603
Housing rents	13,795	13,928
Sundry creditors and accruals	88,692	68,371
Government departments	29,687	38,727
	<u>132,777</u>	<u>121,629</u>
Long term liabilities:	2017	2016
	£	£
Deferred income	26,520	27,123

During earlier years, 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 £9,495 (2016: £9,425) of rates income that is over one year old and 50% of current year arrears. In addition, £1,279 (2016: £5,151) has been provided against potentially irrecoverable trade debtors and rents. £88 of rates arrears have been written back in the year as

# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2017)

### 10. Capital reserves and accounts

	<b>Pensions Reserve</b>	<b>Capital receipts reserve</b>	<b>Revaluation reserve</b>	<b>Capital adjustment account</b>
	£	£	£	£
Balance at 1 April 2016	(645,000)	55,411	9,733,604	2,425,456
Movement in the year	(31,000)	-	(240,993)	297,778
Transfers between reserves	-	-	-	(198,911)
<b>Balance at 31 March 2017</b>	<b>(676,000)</b>	<b>55,411</b>	<b>9,492,611</b>	<b>2,524,323</b>

### Revenue reserves

	<b>Housing revenue Account</b>	<b>Housing maintenance Account</b>	<b>General revenue account</b>	<b>Total</b>
	£	£	£	£
Balance at 1 April 2016	-	87,328	3,973	91,301
Net deficit for year	-	(7,517)	(181,480)	(188,997)
Transfer between reserves	-	-	198,911	198,911
<b>Balance at 31 March 2017</b>	<b>-</b>	<b>79,811</b>	<b>21,404</b>	<b>101,215</b>

A transfer of £198,119 (2016:£Nil) has been made from the capital adjustment account towards general revenue fund contributions to capital assets.

This adjustment has been made as it was noted that cash at bank was substantially higher than cash based reserves at 31 March 2017 and prior periods. This adjustment was found to be required following detailed investigation of accounting records for periods dating back to 2004 from which no errors could be found. No earlier records were available and the Commissioners considered this journal to be required to remedy the cash imbalance against reserves.

### 11. Analysis of net assets employed

	<b>2017</b>	<b>2016</b>
	£	£
General revenue account	3,112,335	3,253,048
Housing revenue account	8,385,225	8,407,724
	<b>11,497,560</b>	<b>11,660,772</b>

# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2017)

### 12. Borrowings

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

Analysis of loans by type:	2017 £	2016 £
Bank Loans	5,920,007	6,016,268
	<u>5,920,007</u>	<u>6,016,268</u>
Analysis of loans by maturity:		
Less than 1 year	257,470	241,249
Between 1 and 2 years	264,064	247,490
Between 2 and 5 years	826,225	782,990
Between 5 and 10 years	1,367,471	1,307,773
More than 10 years	3,204,777	3,436,766
Total outstanding	<u>5,920,007</u>	<u>6,016,268</u>

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. In the current year and for the future, loans will be provided by HSBC Bank via variable rate loans. In the year and the prior year a loan was taken out with HSBC Bank, repayable over 15 years with interest charged at 0.95% above LIBOR.

Such loans have been sanctioned on a loan by loan basis by both Treasury and the Department of Infrastructure and/or the Department of Health and 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 2016/17 the Authority paid £4,740 (2015/16: £3,178) 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 2017)*

### **16. Employees' remuneration**

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

### **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.

During the year Port St Mary was charged £83,318 (2016: £86,633) in respect of refuse, street lighting and other costs

Furthermore, Central Government will meet the social housing deficiency as detailed on page 15 amounting to £38,003 (2016: £ 22,418). At the year end Port St Mary owed Central Government £12,957 (2016: £5,876) in respect of costs incurred and £6,833 (£18,566) in respect of excess deficiency monies received on account.

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 £51,089 (2016: £42,053) in respect of administration charges and repairs. There is a balance owing of £5,422 (2016: £9,983) to Port St Mary Commissioners in this respect. An accrual has also been made for further income to be invoiced of £11,081 (2016: £2,666) and this is shown within sundry debtors.

During the year, Southern Civic Amenity Site was charged £18,335 (2016: £22,708) in respect of administration charges and repairs. In addition £17,651 was received in respect of amenity site rental (2016: £17,651). Port St Mary Commissioners have paid £29,790 (2016: £26,064) in respect of amenity site costs and other costs for the year. Within debtors is an amount of £6,895 (2016: £4,175) due to Port St Mary Commissioners in this respect and within creditors is an amount of £126 (2016: £Nil) due by Port St Mary Commissioners.

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.

# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2017)

### 18. Audit fees

During 2016/17 the Authority incurred the following fees relating to external audit and inspection:

	2016/17	2015/16
	£	£
Fees payable with regard to external audit services carried out by the appointed auditor		
- current year	7,155	7,200

### 19. Total rateable value

The total rateable value of the Village at 31 March 2017 is £143,766 (2016: £143,350) at the year end with a 306p rate being charged (2016: 306p).

### 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. HRA capital expenditure

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

	2016/17	2015/16
	£	£
Borrowing	137,085	5,220
Housing reserve	45,372	175,192

Accruals at the year end in respect of housing capital expenditure totalled £Nil (2016: £5,637).

### 22. Housing Maintenance Account

	2016/17	2015/16
	£	£
Balance at 1 April 2016	87,328	230,077
Movement in year	(7,517)	(142,749)
Balance at 31 March 2017	79,811	87,328

# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2017)

### 23. Gross rent income

Gross rent income is the total rent due for the year after voids, write-offs, refunds etc. Voids of £5,351 (2016: £2,681) represent 0.99% of the rental debit for the year, compared to 0.51% in 2015/16.

### 24. 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:

	2016/17	2015/16
	£	£
Deficiency receivable at year end re 2016/17	11,733	-
Deficiency repayable at year end re 2015/16	(18,566)	(18,566)
	<u>(6,833)</u>	<u>(18,566)</u>

During the year £26,270 (2016: £44,600) was received in cash in respect of housing deficiency.

### 25. Housing stock

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

	2016/17	2015/16
	No's	No's
Houses and bungalows	106	106
Flats and maisonettes	16	16
	<u>122</u>	<u>122</u>

### 26. Rent arrears

	2016/17	2015/16
	£	£
Rent arrears	11,152	12,681
Rent arrears as a percentage of gross rent income	<u>2.1%</u>	<u>2.4%</u>

Arrears written off during the year amounted to £Nil (£Nil in 2015/16).

### 27. 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.



# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2017)

### 27. Pensions (continued)

During the financial year the cost of pensions contributions £50,000 (2016: £51,000) 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 2017 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 2017 % per annum	31 March 2016 % per annum
Rate of increase in salaries	3.2%	3.7%
Rate of increase in pensions	2.4%	2.2%
Rate for discounting scheme liabilities	2.5%	3.5%
Rate of expected return on assets	2.5%	4.7%

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 2016.

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 2017 £	31 March 2016 £
Estimated employer assets	1,460,000	1,293,000
Present value of scheme liabilities	2,136,000	(1,938,000)
Net pensions liability	<u>(676,000)</u>	<u>(645,000)</u>

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

	31 March 2017 £	31 March 2016 £
Equities	811,000	737,000
Bonds	396,000	349,000
Property	200,000	207,000
Cash	53,000	-
Estimated employer assets	<u>1,460,000</u>	<u>1,293,000</u>

# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2017)

### 27. Pensions (continued)

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

	2016/17 £	2015/16 £
<b>Net cost of service</b>		
Current service cost	71,000	85,000
Employer contribution payable to the Scheme	<u>(50,000)</u>	<u>(51,000)</u>
	<u>21,000</u>	<u>34,000</u>
<b>Net operating expenditure</b>		
Interest cost	68,000	66,000
Expected return on employer assets	<u>(60,000)</u>	<u>(62,000)</u>
	<u>8,000</u>	<u>4,000</u>

The net deficit on the scheme has increased from £645,000 to £676,000. An analysis of the movement during the year is shown below:

	2016/17 £	2015/16 £
<b>Net pension liability at the beginning of the year</b>	<b>(645,000)</b>	<b>(761,000)</b>
Current service cost	(71,000)	(85,000)
Employer contributions	50,000	51,000
Expected return on employer assets	60,000	62,000
Actuarial gains/(losses)	(2,000)	154,000
Interest cost	<u>(68,000)</u>	<u>(66,000)</u>
<b>Net pension liability at the end of the year</b>	<b><u>(676,000)</u></b>	<b><u>(645,000)</u></b>

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

<b>Breakdown of the expected return on assets by category</b>	<b>2016/17 £</b>	<b>2015/16 £</b>
Equities	5.7%	5.6%
Bonds	3.0%	3.0%
Property	3.7%	3.8%
Cash	2.5%	2.5%

# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2017)

### 27. Pensions (continued)

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:

	2016/17		2015/16	
	£	Actuarial gain/loss as % of assets/liabilities	£	Actuarial gain/loss as % of assets/liabilities
Value of assets at end of year	1,460,000		1,293,000	
Total present value of liabilities	(2,136,000)		(1,938,000)	
Difference between the actual and expected return on assets	161,000	11.03%	57,000	4.41%
Actuarial gains/(losses) recognised in the statement	(2,000)	0.09%	154,000	7.94%

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 2017 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 2017

	2017	2017	2016	2016
	£	£	£	£
Administration and general purposes				
Salaries, office wages, NIC etc	124,207		95,150	
Contract personnel costs	6,360		5,590	
Manual wages	3,147		4,357	
Audit fees	7,054		7,416	
Accountancy	10,654		12,934	
Internal audit	2,920		3,150	
Legal and professional costs	6,274		15,211	
Printing and stationery	2,741		3,467	
Photocopying	1,452		328	
Staff training	680		1,075	
Election expenses	1,940		3,726	
Memberships and subscriptions	255		505	
Bank charges	3,477		2,374	
Attendance allowance	4,740		3,178	
Computer charges	4,453		9,170	
Office running costs	15,065		6,429	
Telephone	3,154		3,630	
Donations	500		-	
Civic events	3,408		56	
	<u>          </u>	<b>202,481</b>	<u>          </u>	177,746
 Less: Income				
Housing administration fee	29,819		29,053	
Marashen EPH administration fee	29,981		26,978	
Amenity site administration fee	18,000		19,200	
Search fees	2,575		2,400	
Rates surfeit	2,671		2,881	
Incidentals	785		183	
	<u>          </u>	<b>(83,831)</b>	<u>          </u>	<b>(80,695)</b>
		<u>          </u>		<u>          </u>
		<b>118,650</b>		<b>97,051</b>
		<u>          </u>		<u>          </u>
 <b>Direct labour – Central costs</b>				
Manual workers – holiday, unallocated, supervising etc		<b>46,383</b>		19,963
Manual workers – sick pay		<b>5,142</b>		5,508
Vehicle costs, fuel and depreciation		<b>21,937</b>		21,652
Vehicles – wages		<b>369</b>		974
		<u>          </u>		<u>          </u>
		<b>73,831</b>		<b>48,097</b>
		<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 2017

	2017 £	2017 £	2016 £	2016 £
<b>Property</b>				
Depreciation	60,088		59,977	
Insurance	14,648		13,334	
Town Hall costs (maintenance, heat, light, & rates)	15,208		24,544	
Town Hall maintenance wages	4,738		4,573	
Manxonia House running costs	87		-	
Store	8,999		11,821	
Store – wages	1,799		3,974	
	<u>          </u>	<b>105,567</b>	<u>          </u>	118,223
Less: Income				
Town Hall hire	11,458		3,617	
Master income	8,552		8,596	
Rent – garages	11,751		16,413	
Rent – other	7,445	<b>(39,206)</b>	4,896	<b>(33,522)</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		<b>66,361</b>		<b>84,701</b>
		<u>          </u>		<u>          </u>
<b>Refuse</b>				
Wages	35,113		31,505	
Refuse expenses	67,748		64,887	
Vehicle Expenses	13,033		11,845	
Refuse bins	858		-	
Amenity site costs	29,120		25,730	
Refuse sacks	240		90	
	<u>          </u>	<b>146,112</b>	<u>          </u>	134,057
Less: Income				
Collection of refuse	12,075		11,734	
Amenity site lease rental	17,651		17,651	
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		<b>(29,726)</b>		<b>(29,385)</b>
		<u>          </u>		<u>          </u>
		<b>116,386</b>		<b>104,672</b>
		<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 2017

	2017 £	2017 £	2016 £	2016 £
<b>Public Works</b>				
Street lighting		21,576		17,119
Street lighting - depreciation		9,052		8,968
Street lighting - wages		-		120
		<u>30,628</u>		<u>26,207</u>
<b>Street cleaning and car parks</b>				
Street cleaning – and maintenance of footpaths		1,480		315
Street cleaning - wages		24,046		21,450
Car parks		33		1,775
		<u>25,559</u>		<u>23,540</u>
<b>Public conveniences</b>				
Wages		2,414		2,348
General expenses		1,121		2,859
		<u>3,535</u>		<u>5,207</u>
<b>Parks and Leisure</b>				
Maintenance	7,029		2,074	
Misc. inc rates & insurance	636		609	
Tennis courts	-		8,140	
		<u>7,665</u>		<u>10,823</u>
Less: Income				
Fees – golf	500		1,000	
Rents	16,033		15,750	
		<u>(16,533)</u>		<u>(16,750)</u>
		<u>(8,868)</u>		<u>(5,927)</u>
<b>Maintenance of public areas</b>				
Gardening & bedding plants		16,473		29,801
Grass cutting – labour and machinery		253		374
		<u>16,726</u>		<u>30,175</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 2017

	2017 £	2017 £	2016 £	2016 £
<b>Public Amenities</b>				
Annual contribution to Southern Local Authority				
Swimming Pool		3,584		3,572
Memorials		2,792		2,456
Memorial - wages		682		758
Outdoor seating		476		1,863
Outdoor seating – wages		3,916		1,863
Playground equipment		3,204		6,531
Playground – wages		1,856		-
Christmas tree		3,172		890
Christmas tree – wages		1,016		2,021
Signage		(303)		1,509
Chapel Beach – cleaning & bathing raft		7		1,476
Chapel Beach – wages		-		769
Miscellaneous		3,486		96
Depreciation - Anchor		1,010		2,565
		<u>24,898</u>		<u>25,516</u>
<b>Less: Income</b>				
Memorial seats subscriptions		(684)		(1,009)
Release of deferred income		(603)		(603)
		<u>23,611</u>		<u>23,904</u>
<b>Guides and general advertising</b>				
Plaques and flags		263		1,718
Flags – wages		834		1,089
		<u>1,097</u>		<u>2,807</u>
<b>Bad Debt provision</b>		3,376		5,837
<b>Bad Debt write off</b>		(88)		(210)

This page does not form part of the audited financial statements

