

# **Port St. Mary Village Commissioners**

## **Statement of Accounts**

**For the year ended 31 March 2016**

# Port St. Mary Village Commissioners

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# 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 2016. 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 2016 the deficit for the year amounted to £115,242 (2015 deficit: £51,719). 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 2016, the deficit amounted to £84,178, (2015 deficit: £147,469) meaning the authority now has general fund reserves of £3,973 (2015: £88,151). During the year, the general fund contributed to the costs of capital assets totalling £124,911 (2015: £301,748) including further refurbishment of the Town Hall and to street lighting replacement columns.

### **Housing Revenue Account**

The Housing Revenue Account shows the income and expenditure on Authority housing. The financial year ended 31 March 2016 resulted in a deficit of £41,829, (2015 deficit: £39,395). 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 £175,192 of asset additions in the year.

The deficiency requirement for the year is £22,418 (2015: £44,119).

### **Capital Expenditure and Borrowing**

Total capital expenditure in the year was £337,301 (2015 : £604,482) and was financed by Isle of Man Bank loans and overdraft facilities except for contributions from general revenue reserves and capital receipts reserve as detailed above.

Accruals at the year end in respect of capital expenditure totalled £3,810 (2015: £35,787).

# **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 (2015: 306p) in the £. The rateable value at 1 April 2016 is £143,350 (2015: £142,471).

Total rates debtors were £15,405 (2015: £21,753) although this amount includes £3,392 (2015: £13,142) which was received from Treasury post year end. Prior year rates were recovered totalling £1,984 (2015: £10,515).

### **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 2016, and amounts to £645,000 (2015: £761,000). No current provision exists to meet this deficit, which will be addressed by future contributions to the Pension Fund.

This decrease is primarily as a result of actuarial gains 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 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.

# 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 2015/16 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 2016 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 2016.

(Signed)                     *B Williams*                     (Signed)                     *[Signature]*                    

(Chairman)

(Dated)                     12<sup>th</sup> Oct '16

# 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 2016 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.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the authority's affairs as at 31 March 2016 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.

# Port St. Mary Village Commissioners

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

### 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 25 October 2016

# Port St. Mary Village Commissioners

## Income and Expenditure Account

For the year ended 31 March 2016

<b>Statement of net expenditure</b>	<i>Notes</i>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
<i>Income Generated from:</i>		£	£	£	£
Administration and general purposes		80,695		65,890	
Property		33,522		38,696	
Refuse		29,385		29,251	
Parks and leisure		16,750		16,750	
Public amenities		1,612		603	
		<u>          </u>	<b>161,964</b>	<u>          </u>	<b>151,190</b>
<i>Less expenditure generated by:</i>					
Administration and general purposes		177,746		163,891	
Direct labour – central costs		48,097		33,227	
Property		118,223		89,551	
Refuse Collection		134,057		143,320	
Public works		26,207		27,709	
Street cleaning and car parks		23,540		15,976	
Public conveniences		5,207		12,719	
Parks and leisure		10,823		9,773	
Maintenance of public areas		30,175		28,098	
Public amenities		25,516		30,395	
Guides and general advertising		2,807		1,291	
Bad debt provision		5,837		(6,612)	
Bad debts written off		(210)		900	
		<u>          </u>	<b>(608,025)</b>	<u>          </u>	<b>(550,238)</b>
Current cost of Pensions adjustment	27		<b>(38,000)</b>		<b>(26,000)</b>
			<u>          </u>		<u>          </u>
<b>Net cost of General Revenue Fund services</b>			<b>(484,061)</b>		<b>(425,048)</b>
Housing Services – income		632,063		625,994	
Less: Gross Expenditure		(492,926)		(484,493)	
		<u>          </u>	<b>139,137</b>	<u>          </u>	<b>141,501</b>
<b>Net cost of services</b>			<b>(344,924)</b>		<b>(283,547)</b>
Profit on sale of vehicle			-		700
Interest payable and similar charges			(180,966)		(180,896)
Interest receivable			540		755
			<u>          </u>		<u>          </u>
<b>Net operating expenditure</b>			<b>(525,350)</b>		<b>(462,988)</b>
<b>Sources of finance</b>					
General rates		414,824		416,102	
Less: Collection charges		(4,716)		(4,833)	
<b>Income from General rates</b>		<u>          </u>	<b>410,108</b>	<u>          </u>	<b>411,269</b>
<b>Net deficit for the year</b>			<b>(115,242)</b>		<b>(51,719)</b>
			<u>          </u>		<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 2016

	2016 £	2015 £
<b>Deficit for the year on the income and expenditure account</b>	<b>(115,242)</b>	<b>(51,719)</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>		
Reversal of net charges made for retirement benefits in accordance with the SORP	38,000	26,000
Depreciation charge for the year	76,749	63,943
Release of deferred income	(603)	(603)
Profit on sale of assets	-	(700)
<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	(124,911)	(301,748)
<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 Housing Maintenance Account	-	2,963
Transfer from Housing Revenue Account	41,829	39,395
Transfer from Capital Receipts Reserve	-	75,000
	<u>(84,178)</u>	<u>(147,469)</u>
<b>General Fund Balance brought forward</b>	<b>88,151</b>	<b>235,620</b>
<b>General Fund Balance carried forward</b>	<b><u>3,973</u></b>	<b><u>88,151</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 2016

	Notes	2016 £	2016 £	2015 £	2015 £
<b>Income</b>					
Dwelling rents and rates	23	609,645		581,875	
Contributions towards expenditure including Housing Deficiency Payments	24	22,418		44,119	
<b>Total income</b>			<b>632,063</b>		<b>625,994</b>
<b>Expenditure</b>					
Repairs and maintenance		48,494		53,609	
Housing repairs – wages		37,639		35,154	
Administration allowance		29,053		29,053	
Depreciation charge for the year		281,517		269,279	
Rent, rates, taxes and other charges		81,753		82,597	
Insurance costs		12,470		12,314	
Legal costs		-		487	
Amortisation		2,000		2,000	
			<b>(492,926)</b>		<b>(484,493)</b>
Net income from HRA services			<b>139,137</b>		<b>141,501</b>
Interest payable and similar charges			<b>(180,966)</b>		<b>(180,896)</b>
<b>Deficit for the year on the Housing revenue income and expenditure account</b>			<b>(41,829)</b>		<b>(39,395)</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 2016

	2016	2015
	£	£
<b>Deficit for the year on the HR income and expenditure account</b>	<b>(41,829)</b>	<b>(39,395)</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	281,517	269,279
Amortisation	2,000	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	(175,192)	-
Loan principal repayments	(209,245)	(205,161)
	<hr/>	<hr/>
<b>(Deficit)/surplus for the year before transfers to reserves</b>	<b>(142,749)</b>	<b>26,723</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	142,749	(26,723)
	<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 2016

		<b>2016</b>	2015
		<b>£</b>	<b>£</b>
<b>Deficit on the income and expenditure account for the year</b>		<b>(115,242)</b>	(51,719)
Actuarial gains/(losses) on Pension Fund Assets and Liabilities	27	<b>154,000</b>	(151,000)
<b>Total recognised gains and losses for the year</b>		<b><u>38,758</u></b>	<b><u>(202,719)</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 2016

	Notes	2016	2015
		£	£
<b>Fixed assets</b>			
Tangible fixed assets	1, 2	17,977,209	18,030,151
Intangible fixed assets	3	-	2,000
		<u>17,977,209</u>	<u>18,032,151</u>
<b>Current assets</b>			
Debtors	6	63,551	85,362
Cash at bank and short term investments	7	430,032	650,198
		<u>493,583</u>	<u>735,560</u>
<b>Current liabilities</b>			
Creditors – amounts falling due within one year	8	(121,629)	(131,455)
Bank overdraft		-	(358,000)
Bank loans	12	(241,249)	(210,932)
		<u>(362,878)</u>	<u>(700,387)</u>
<b>Long term liabilities</b>			
Bank loans	12	(5,775,019)	(5,656,582)
Net defined benefit pension liability	27	(645,000)	(761,000)
Deferred income	8	(27,123)	(27,726)
		<u>(6,447,142)</u>	<u>(6,445,308)</u>
<b>Total assets less liabilities</b>		<u><u>11,660,772</u></u>	<u><u>11,622,016</u></u>
<b>Financed by:</b>			
General revenue account	10	3,973	88,151
Housing maintenance account	10	87,328	230,077
Housing revenue account	10	-	-
Capital receipts reserve	10	55,411	55,411
Capital adjustment account	10	2,425,456	2,102,281
Pension reserve	10,27	(645,000)	(761,000)
Revaluation reserve	10	9,733,604	9,907,096
		<u>11,660,772</u>	<u>11,622,016</u>

The financial statements were approved and authorised for issue by the Authority on 12/10/16 and were signed on their behalf by:

Chairman *BWilliams*

*[Signature]*  
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 2016

Revenue activities	2016	2016	2015	2015
	£	£	£	£
<b>Cash outflows</b>				
Cash paid to and on behalf of employees	(299,295)		(225,384)	
Other operating cash payments	(421,040)		(457,617)	
	<u>          </u>	(720,335)	<u>          </u>	(683,001)
<b>Cash inflows</b>				
Rents	72,587		73,730	
Rents (after rebates) – housing stock	612,965		584,563	
Rate receipts	416,666		432,507	
Cash received for goods and services	52,753		66,851	
Grants received	71,698	1,226,669	67,541	1,225,192
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net cash inflow from revenue activities</b>		506,334		542,191
<b>Returns on Investments and servicing of finance</b>				
<b>Cash outflows</b>				
Interest paid	(180,491)		(181,405)	
	<u>          </u>	(180,491)	<u>          </u>	(181,405)
<b>Cash inflows</b>				
Interest received – revenue	520		569	
Interest received – housing	20		186	
	<u>          </u>	540	<u>          </u>	755
<b>Capital activities</b>				
<b>Cash outflows</b>				
Purchase of fixed assets	(337,301)		(604,482)	
	<u>          </u>	(337,301)	<u>          </u>	(604,482)
<b>Cash inflows</b>				
Sale of fixed assets	-		700	
	<u>          </u>	-	<u>          </u>	700
<b>Net cash outflow before financing</b>		(10,918)		(242,241)
<b>Management of liquid resources</b>				
Decrease in short term deposits		215,171		109,329
<b>Financing</b>				
<b>Cash outflows</b>				
Repayments of amounts borrowed	(209,246)		(205,160)	
	<u>          </u>	(209,246)	<u>          </u>	(205,160)
<b>Net decrease in cash</b>		<u>          </u>	<u>          </u>	<u>          </u>
		(4,993)		(338,072)

# Port St. Mary Village Commissioners

## Notes to the Cash Flow Statement for the year ended 31 March 2016

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

	2016 £	2015 £
Net deficit for the year on general fund income and expenditure account	(115,242)	(51,719)
Depreciation	358,266	333,221
Profit on sale of assets	-	(700)
Release of deferred liability	(603)	(603)
Amortisation	2,000	2,000
Adjust for appropriations to pension reserves	38,000	26,000
Interest paid	180,491	181,405
Interest received	(540)	(755)
Decrease in debtors	21,811	51,051
Increase in creditors	22,151	2,291
	<u>506,334</u>	<u>542,191</u>

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

	2016 £	2015 £
Net debt at 1 April	(5,575,317)	(5,333,076)
Movement in net debt:		
Short term deposit	(215,171)	(109,329)
Increase/(decrease) in cash in the period (Outflow)/inflow from increase in debt financing	353,007	(338,072)
	<u>(148,754)</u>	<u>205,160</u>
Net debt at 31 March	<u>(5,586,235)</u>	<u>(5,575,317)</u>

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

	Balance at 31 March 2015	Cash Movement £	Non Cash movement £	Balance at 31 March 2016 £
Cash at bank	35,763	(4,993)	-	30,770
Bank overdraft	(358,000)	358,000	-	-
	<u>(322,237)</u>	<u>353,007</u>	<u>-</u>	<u>30,770</u>
Short term investments	614,434	(215,171)	-	399,263
Net debt:				
Due within one year	(210,932)	209,246	(239,563)	(241,249)
Due after one year	(5,656,582)	(358,000)	239,563	(5,775,019)
	<u>(5,575,317)</u>	<u>(10,918)</u>	<u>-</u>	<u>(5,586,235)</u>

# Port St. Mary Village Commissioners

## General Rate Fund

as at 31 March 2016

	<i>Notes</i>	<b>2016</b> £	<b>2016</b> £	<b>2015</b> £	<b>2015</b> £
Total rates levied for the year			<b>437,882</b>		435,839
<i>Add:</i>					
Due from Treasury re prior year		<b>13,142</b>		27,160	
Arrears brought forward		<b>8,611</b>		16,731	
		<u>          </u>	<b>21,753</b>	<u>          </u>	<u>43,891</u>
<i>Less:</i>			<b>459,635</b>		479,730
Discounts		<b>(17,086)</b>		(14,764)	
Exempt and unoccupied properties		<b>(5,972)</b>		(4,973)	
Collection charge		<b>(4,716)</b>		(4,833)	
		<u>          </u>	<b>(27,774)</b>	<u>          </u>	<u>(24,570)</u>
Treasury write back/(off)			<b>210</b>		(900)
			<u>          </u>		<u>          </u>
<b>Total rates collectable</b>			<b>432,071</b>		<b>454,260</b>
			<u>          </u>		<u>          </u>
Rates received in the year:					
Current year rates		<b>401,540</b>		394,832	
Arrears collected		<b>1,984</b>		10,515	
Balance from Treasury re prior year		<b>13,142</b>		27,160	
		<u>          </u>		<u>          </u>	
<b>Total rates received in the year</b>			<b>416,666</b>		432,507
<b>Balances outstanding carried forward:</b>					
Due from Treasury re current year		<b>3,392</b>		13,142	
Arrears - current year		<b>5,175</b>		3,296	
- previous years		<b>6,838</b>		5,315	
		<u>          </u>	<b>15,405</b>	<u>          </u>	<u>21,753</u>
			<u>          </u>		<u>          </u>
			<b>432,071</b>		<b>454,260</b>
			<u>          </u>		<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 2016)

### 1. Tangible fixed assets

	Other Land and Property	Social Housing	Street Lighting	Motor Vehicles, Plant and Equipment	Total
Cost/Value	£	£	£	£	£
At 1 April 2015	3,554,818	14,707,028	119,653	106,754	18,488,253
Additions in the year	80,097	180,413	14,862	29,952	305,324
Disposals in the year	-	-	-	-	-
<b>At 31 March 2016</b>	<b>3,634,915</b>	<b>14,887,441</b>	<b>134,515</b>	<b>136,706</b>	<b>18,793,577</b>
<b>Depreciation</b>					
As at 1 April 2015	57,315	269,279	33,615	97,893	458,102
Charge for the year	60,987	281,517	8,968	6,794	358,266
Disposals in the year	-	-	-	-	-
<b>At 31 March 2016</b>	<b>118,302</b>	<b>550,796</b>	<b>42,583</b>	<b>104,687</b>	<b>816,368</b>
<b>Net book value</b>					
At 31 March 2016	3,516,613	14,336,645	91,932	32,019	17,977,209
At 31 March 2015	3,497,503	14,437,749	86,038	8,861	18,030,151

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	526,723	242,784	896,638
Net current replacement cost	-	780,000	-	14,360,718	2,485,000	17,625,718
	<b>125,065</b>	<b>780,000</b>	<b>2,066</b>	<b>14,887,441</b>	<b>2,727,784</b>	<b>18,522,356</b>



# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2016)

### 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

<b>Operational assets</b>	<b>Number at 31 March 2015</b>	<b>Changes 2015/16</b>	<b>Number at 31 March 2016</b>
<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
<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	-	16

# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2016)

### 3. Intangible Fixed Assets

These represent software items which are amortised over 5 years

	31 March 2016
<b>Cost</b>	<b>£</b>
At 1 April 2015	10,000
Additions in the year	-
	<hr/>
At 31 March 2016	10,000
	<hr/> <hr/>
<b>Amortisation</b>	
At 1 April 2015	8,000
Amortisation in the year	2,000
	<hr/>
At 31 March 2016	10,000
	<hr/> <hr/>
<b>Net Book Value</b>	
At 31 March 2016	-
	<hr/>
At 31 March 2015	2,000
	<hr/> <hr/>

### 4. Capital expenditure and financing

	2015/16	2014/15
	£	£
<b>Capital investment</b>		
Infrastructure assets	14,862	52,494
Operational assets	279,621	484,097
Non operational community assets	10,841	63,716
	<hr/>	<hr/>
	305,324	600,307
	<hr/> <hr/>	<hr/> <hr/>
<b>Sources of finance</b>		
Isle of Man Bank Loans and overdrafts	5,221	302,734
Contribution from general fund	124,911	297,573
Contribution from housing revenue	175,192	-
	<hr/>	<hr/>
	305,324	600,307
	<hr/> <hr/>	<hr/> <hr/>

A transfer of £Nil (2015:£75,000) has been made from the capital receipts reserve towards the contributions from the general fund.

At the year end, £3,810 was accrued in respect of capital expenditure (2015: £35,787) relating to 2015/16 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. At 31 March 2015, there were commitments totalling £32,153.

# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2016)

### 6. Debtors

	2016	2015
	£	£
Amounts falling due in one year:		
Government departments	3,392	16,759
Ratepayers (note 9)	2,588	1,648
Housing rents	12,681	9,037
Trade debtors	13,322	18,444
Sundry debtors	21,829	5,779
Prepayments	1,081	24,754
Value Added Tax	8,658	8,941
	<u>63,551</u>	<u>85,362</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 2016 was £430,032 (2015: £650,198). 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:	2016	2015
	£	£
Deferred income	603	603
Housing rents	13,928	13,955
Sundry creditors and accruals	78,713	78,090
Government departments	28,385	38,807
	<u>121,629</u>	<u>131,455</u>
Long term liabilities:	2016	2015
	£	£
Deferred income	27,123	27,726

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 £9,425 (2015: £6,963) of rates income that is over one year old and 50% of current year arrears. In addition, £5,151 (2015: £1,022) has been provided against potentially irrecoverable trade debtors and rents. £210 of rates arrears have been written back in the year as irrecoverable (2015 write off: £900) and £Nil (2015: £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 2016)

## 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 2015	(761,000)	55,411	9,907,096	2,102,281
Movement in the year	116,000	-	(173,492)	323,175
Transfers between reserves	-	-	-	-
Balance at 31 March 2016	<u>(645,000)</u>	<u>55,411</u>	<u>9,733,604</u>	<u>2,425,456</u>

## Revenue reserves

	<b>Housing revenue Account</b>	<b>Housing maintenance Account</b>	<b>General revenue account</b>	<b>Total</b>
	£	£	£	£
Balance at 1 April 2015	-	230,077	88,151	318,228
Net surplus for year	-	(142,749)	(84,178)	(226,927)
Transfer between reserves	-	-	-	-
Balance at 31 March 2016	<u>-</u>	<u>87,328</u>	<u>3,973</u>	<u>91,301</u>

## 11. Analysis of net assets employed

	<b>2016</b>	<b>2015</b>
	£	£
General revenue account	3,253,048	3,179,704
Housing revenue account	8,407,724	8,442,312
	<u>11,660,772</u>	<u>11,622,016</u>

# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2016)

### 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:	2016 £	2015 £
Bank Loans	<b>6,016,268</b>	5,867,514
	<u>6,016,268</u>	<u>5,867,514</u>
Analysis of loans by maturity:		
Less than 1 year	241,249	210,932
Between 1 and 2 years	247,490	217,648
Between 2 and 5 years	782,990	691,582
Between 5 and 10 years	1,307,773	1,186,690
More than 10 years	3,436,766	3,560,662
Total outstanding	<b>6,016,268</b>	5,867,514

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 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 2015/16 the Authority paid £3,178 (2014/15: £3,930) 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 2016)*

### 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 £42,053 (2015: £24,312) in respect of administration charges and repairs. There is a balance owing of £9,983 (2015: £10,729) to Port St Mary Commissioners in this respect.

During the year, Southern Civic Amenity Site was charged £22,708 (2015: £11,000) in respect of administration charges and repairs. In addition £17,651 was received in respect of amenity site rental (2015: £17,651). Port St Mary Commissioners have paid £26,064 (2015: £26,181) in respect of amenity site costs for the year. There is a balance owing of £4,175 (2015: £3,840) 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 2015/16 the Authority incurred the following fees relating to external audit and inspection:

	2015/16	2014/15
	£	£
Fees payable with regard to external audit services carried out by the appointed auditor		
- current year	7,200	6,900

### 19. Total rateable value

The total rateable value of the Village at 31 March 2016 is £143,350 (2015: £142,471) at the year end with a 306p rate being charged (2015: 306p).

# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2016)

### 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:

	2015/16	2014/15
	£	£
Borrowing	5,220	333,382
Housing reserve	175,192	-

Accruals at the year end in respect of housing capital expenditure totalled £5,637 (2015: £5,637).

### 22. Housing Maintenance Account

	2015/16	2014/15
	£	£
Balance at 1 April 2015	230,077	206,316
Movement in year	(142,749)	23,761
Balance at 31 March 2016	87,328	230,077

### 23. Gross rent income

Gross rent income is the total rent due for the year after voids, write-offs, refunds etc. Voids of £2,681 (2015: £2,487) represent 0.51% of the rental debit for the year, compared to 0.49% in 2014/15.

### 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:

	2015/16	2014/15
	£	£
Deficiency rerepayable at year end re 2015/16	(18,566)	-
Deficiency receivable at year end re 2014/15	-	3,617
Deficiency receivable at year end re 2013/14	-	-
	(18,566)	3,617

During the year £44,600 (2015: £67,541) was received in cash in respect of housing deficiency.

# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2016)

### 25. Housing stock

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

	2015/16	2014/15
	No's	No's
Houses and bungalows	106	106
Flats and maisonettes	16	16
	<u>122</u>	<u>122</u>

### 26. Rent arrears

	2015/16	2014/15
	£	£
Rent arrears	12,681	9,037
Rent arrears as a percentage of gross rent income	<u>2.4%</u>	<u>1.8%</u>

Arrears written off during the year amounted to £Nil (£Nil in 2014/15).

### 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.

During the financial year the cost of pensions contributions £51,000 (2015: £35,000) 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 2016 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 2016	31 March 2015
	% per annum	% per annum
Rate of increase in salaries	3.7%	3.8%
Rate of increase in pensions	2.2%	2.4%
Rate for discounting scheme liabilities	3.5%	3.2%
Rate of expected return on assets	3.5%	3.2%

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.



# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2016)

### 27. Pensions (continued)

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:

	<b>31 March 2016</b>	31 March 2015
	£	£
Estimated employer assets	<b>1,293,000</b>	1,279,000
Present value of scheme liabilities	<b>(1,938,000)</b>	(2,040,000)
	<u>                    </u>	<u>                    </u>
Net pensions liability	<b>(645,000)</b>	(761,000)
	<u>                    </u>	<u>                    </u>

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

	<b>31 March 2016</b>	31 March 2015
	£	£
Equities	<b>737,000</b>	845,000
Bonds	<b>349,000</b>	230,000
Property	<b>207,000</b>	166,000
Cash	-	38,000
	<u>                    </u>	<u>                    </u>
Estimated employer assets	<b>1,293,000</b>	1,279,000
	<u>                    </u>	<u>                    </u>

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

	<b>2015/16</b>	2014/15
	£	£
<b>Net cost of service</b>		
Current service cost	<b>85,000</b>	52,000
Employer contribution payable to the Scheme	<b>(51,000)</b>	(35,000)
	<u>                    </u>	<u>                    </u>
	<b>34,000</b>	17,000
	<u>                    </u>	<u>                    </u>
<b>Net operating expenditure</b>		
Interest cost	<b>66,000</b>	74,000
Expected return on employer assets	<b>(62,000)</b>	(65,000)
	<u>                    </u>	<u>                    </u>
	<b>4,000</b>	9,000
	<u>                    </u>	<u>                    </u>

# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2016)

### 27. Pensions (continued)

The net deficit on the scheme has increased from £761,000 to £645,000. An analysis of the movement during the year is shown below:

	2015/16	2014/15
	£	£
<b>Net pension liability at the beginning of the year</b>	<b>(761,000)</b>	<b>(584,000)</b>
Current service cost	(85,000)	(52,000)
Employer contributions	51,000	35,000
Expected return on employer assets	62,000	65,000
Actuarial gains/(losses)	154,000	(151,000)
Interest cost	(66,000)	(74,000)
	<hr/>	<hr/>
<b>Net pension liability at the end of the year</b>	<b>(645,000)</b>	<b>(761,000)</b>
	<hr/> <hr/>	<hr/> <hr/>

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>2015/16</b>	<b>2014/15</b>
	£	£
Equities	5.7%	5.7%
Bonds	2.6%	2.5%
Property	3.8%	3.9%
Cash	2.5%	2.6%

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:

	2015/16		2014/15	
	£	Actuarial gain/loss as % of assets/liabilities	£	Actuarial gain/loss as % of assets/liabilities
Value of assets at end of year	1,293,000		1,279,000	
Total present value of liabilities	(1,938,000)		(2,040,000)	
Difference between the actual and expected return on assets	57,000	4.41%	91,000	7.11%
Actuarial gains/(losses) recognised in the statement	154,000	7.94%	(151,000)	7.40%

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.

# Port St. Mary Village Commissioners

## Notes (continued)

*(forming part of the financial statements for the year ended 31 March 2016)*

### **27. Pensions (continued)**

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 2016 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 2016

	2016	2016	2015	2015
	£	£	£	£
Administration and general purposes				
Salaries, office wages, NIC etc	100,740		91,301	
Manual wages	4,357		537	
Audit fees	7,416		6,915	
Accountancy, internal audit and professional	31,295		28,106	
Printing and stationery	3,467		864	
Photocopying	328		741	
Incidentals	-		66	
Staff training	1,075		3,414	
Election expenses	3,726		-	
Memberships and subscriptions	505		300	
Bank charges	2,374		2,882	
Travel expenses	-		237	
Attendance allowance	3,178		3,930	
Computer charges	9,170		14,197	
Postage and cleaning	6,429		3,402	
Telephone	3,630		2,146	
Advertising	-		1,247	
Civic events	56		3,606	
	<u>          </u>	177,746	<u>          </u>	163,891
Less: Income				
Housing administration fee	29,053		29,053	
Marashen EPH administration fee	26,978		24,312	
Amenity site administration fee	19,200		11,000	
Search fees	2,400		1,425	
Rates surfeit	2,881		-	
Incidentals	183		100	
	<u>          </u>	(80,695)	<u>          </u>	(65,890)
		<u>          </u>		<u>          </u>
		97,051		98,001
		<u>          </u>		<u>          </u>
<b>Direct labour – Central costs</b>				
Manual workers – holiday, unallocated, supervising etc		19,963		21,946
Manual workers – sick pay		5,508		417
Vehicle costs, fuel and depreciation		21,652		6,129
Vehicles – wages		974		2,880
Miscellaneous		-		1,855
		<u>          </u>		<u>          </u>
		48,097		33,227
		<u>          </u>		<u>          </u>

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# Port St. Mary Village Commissioners

## Detailed Income and Expenditure Account (continued) for the year ended 31 March 2016

	2016 £	2016 £	2015 £	2015 £
<b>Property</b>				
Depreciation	59,977		54,284	
Insurance	13,334		11,168	
Maintenance	-		550	
Town Hall costs (maintenance, heat, light, & rates)	24,544		9,695	
Town Hall maintenance wages	4,573		3,195	
Store	11,821		5,676	
Store – wages	3,974		4,983	
	<u>          </u>	118,223	<u>          </u>	89,551
Less: Income				
Lettings	14,201		18,160	
Rent – garages	16,413		18,381	
Rent – other	2,908	(33,522)	2,155	(38,696)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		84,701		50,855
		<u>          </u>		<u>          </u>
<b>Refuse</b>				
Wages	31,505		31,985	
Refuse expenses	64,887		71,376	
Vehicle Expenses	11,845		11,225	
Refuse bins	-		2,254	
Amenity site costs	25,730		26,181	
Refuse sacks	90		299	
	<u>          </u>	134,057	<u>          </u>	143,320
Less: Income				
Collection of refuse	11,734		11,600	
Amenity site lease rental	17,651		17,651	
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		(29,385)		(29,251)
		<u>          </u>		<u>          </u>
		104,672		114,069
		<u>          </u>		<u>          </u>

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# Port St. Mary Village Commissioners

## Detailed Income and Expenditure Account (continued) for the year ended 31 March 2016

	2016 £	2016 £	2015 £	2015 £
<b>Public Works</b>				
Street lighting		17,119		19,185
Street lighting - depreciation		8,968		7,977
Street lighting - wages		120		547
		<u>26,207</u>		<u>27,709</u>
<b>Street cleaning and car parks</b>				
Street cleaning – and maintenance of footpaths		315		6,352
Street cleaning - wages		21,450		9,009
Car parks		1,775		615
		<u>23,540</u>		<u>15,976</u>
<b>Public conveniences</b>				
Wages		2,348		8,364
General expenses		2,859		4,355
		<u>5,207</u>		<u>12,719</u>
<b>Parks and Leisure</b>				
Golf links				
Wages		-	273	
Maintenance	2,074		8,719	
Misc. inc rates & insurance	609		603	
Tennis courts	8,140		178	
		<u>10,823</u>		<u>9,773</u>
Less: Income				
Fees – golf	1,000		1,000	
Rents	15,750		15,750	
		<u>(16,750)</u>		<u>(16,750)</u>
		<u>(5,927)</u>		<u>(6,977)</u>
<b>Maintenance of public areas</b>				
Gardening & bedding plants & dog-litter warden		29,801		24,555
Grass cutting – labour and machinery		374		3,543
		<u>30,175</u>		<u>28,098</u>

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# Port St. Mary Village Commissioners

## Detailed Income and Expenditure Account (continued) for the year ended 31 March 2016

	2016 £	2016 £	2015 £	2015 £
<b>Public Amenities</b>				
Annual contribution to Southern Local Authority				
Swimming Pool		3,572		3,545
Memorials		2,456		-
Memorial - wages		758		-
Outdoor seating		1,863		1,506
Outdoor seating – wages		6,531		8,236
Playground equipment		-		2,152
Playground – wages		890		843
Christmas tree		2,021		671
Christmas tree – wages		1,509		1,239
Signage		1,476		1,897
Signage – wages		-		977
Chapel Beach – cleaning & bathing raft		769		1,851
Chapel Beach – wages		96		65
Marine day wages		-		559
Miscellaneous		2,565		56
Mariners shelter		-		2,368
Anchor		-		3,420
Depreciation - Anchor		1,010		1,010
		<u>25,516</u>		<u>30,395</u>
Less: Income				
Memorial seats subscriptions		(1,009)		-
Release of deferred income		(603)		(603)
		<u>23,904</u>		<u>29,792</u>
<b>Guides and general advertising</b>				
Plaques and flags		1,718		299
Flags – wages		1,089		787
Wages		-		205
		<u>2,807</u>		<u>1,291</u>
Bad Debt provision		5,837		(6,612)
Bad Debt write off		(210)		900

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