

PORT ST MARY VILLAGE COMMISSIONERS
Financial Statements
for the year ended 31st March 2010

PORT ST MARY VILLAGE COMMISSIONERS

Board of Commissioners

The Commissioners during the year and to date were as follows:-

Mrs R Sinfield	<i>Also sits on Marashen Crescent Elderly Person's Housing Committee</i>
Mr R Cooil	<i>Also sits on Southern local authorities Swimming Pool Board</i>
Mr A Merchant (Chairman)	<i>Resigned office on 14 July 2010; Re-appointed 5 August 2010</i>
Mr W Hansen (Deputy Chairman)	<i>Also sits on Southern Civic Amenity Site Board; Resigned office on 12 July 2010</i>
Mrs B McCabe	
Mrs D Patel	<i>Resigned office on 14 July 2010</i>
Mr A Grace	
Mr J Hawkins	<i>Resigned office on 14 July 2010</i>
Mr R Lakeman	<i>Resigned office on 15 April 2009</i>
Mr M J Kennaugh	<i>Took office on 15 June 2009</i>
Mr C A G J Kinley	<i>Took office on 5 August 2010</i>
Mrs H A Kinvig	<i>Took office on 5 August 2010</i>
Mr M P O'Meara	<i>Took office on 5 August 2010</i>

During the year there were 24 Board Meetings and an Annual General Meeting. In addition there were 3 Finance Committee meetings. The cost of attendance allowances payable to Commissioners in respect of Meetings during 2009/10 is shown in Note 2 on page 21 of the Financial Statements for the year ended 31st March 2010.

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PORT ST MARY VILLAGE COMMISSIONERS

Financial Statements for the year ended 31st March 2010

Explanatory Foreword

1. Introduction

The purpose of this set of Financial Statements is to present the financial results of the Port St Mary Village Commissioners (the "Authority" or "Commissioners") activities for the year ended 31st March 2010, and to summarise the overall financial position as at 31st March 2010. The following paragraphs provide an overview of the financial performance and position of the Commissioners, with the supporting detail being set out within the subsequent sections of these accounts.

The Statement of Responsibilities for the Financial Statements

The Statement on page 5 sets out the respective responsibilities of the Commissioners and the Responsible Financial Officer for the Financial Statements.

The Statement on Internal Control

The Statement on pages 6 to 8 reviews the effectiveness of internal control systems. This is a requirement for Isle of Man public sector organisations under the Accounts and Audit Regulations 2007.

2. The Accounting Statements

The information in these Financial Statements is presented in a number of statements, which are explained below.

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.

The **Statement of the Movement on the General Revenue Fund** 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.

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 (STRGL)** discloses all gains and losses of the Commissioners for the year. In addition to the surplus or deficit generated on the Income and Expenditure Account, any other gains or losses disclosed elsewhere on the Balance Sheet are also included here.

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
Financial Statements for the year ended 31st March 2010

Explanatory Foreword (continued)

3. Performance Summary

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

Income and Expenditure Account

The General Revenue - Income and Expenditure Account covers the day to day running costs of the Authority's services. The detailed income and expenditure relating to Authority housing is contained within the Housing Revenue Income and Expenditure Account. The table below summarises the income and expenditure outturn for 2009/2010, compared with the approved estimates of the Commissioners.

	Actual £	Budget £	Variance £
<i>Income</i>			
Administration and general purposes	2,596	4,585	(1,989)
Property	36,472	33,581	2,891
Refuse Collection	25,536	25,789	(253)
Sewers *	27,859	2,000	25,859
Golf links	26,278	64,033	(37,755)
Public amenities	0	0	0
	118,741	129,988	(11,247)
<i>Expenditure</i>			
Administration and general purposes	160,459	171,857	(11,398)
Direct labour - central costs	41,243	41,180	63
Property (excl. depreciation)	40,580	37,781	2,799
Refuse Collection	95,603	98,552	(2,949)
Sewers*	24,465	0	24,465
Public lighting (excl. depreciation)	30,281	37,714	(7,433)
Street cleaning and car parks	15,474	12,732	2,742
Public conveniences	9,278	8,970	308
Golf links	27,778	83,209	(55,431)
Maintenance of public areas	32,643	33,553	(910)
Public amenities	35,368	29,920	5,448
Guides and general advertising	4,924	1,804	3,120
	(518,096)	(557,272)	(39,176)
Housing administration allowance	25,714	24,000	1,714
Net Cost of Services	(373,641)	(403,284)	29,643
Gain on disposal of fixed assets	2,451	0	2,451
Interest receivable	476	8,850	(8,374)
General rates	371,619	370,934	685
Surplus / (Deficit) (before SORP pension & depreciation adjustments)	905	(23,500)	24,405

Note : * Sewer income and expenditure is budgeted on a net basis whereas actual is shown gross.

PORT ST MARY VILLAGE COMMISSIONERS

Financial Statements for the year ended 31st March 2010

Explanatory Foreword (continued)

The most significant factors contributing to the year end actual results are :

1. Reduced administration and general purposes costs;
2. Reduction in the anticipated losses arising from golf course operations;
3. Additional unplanned expenditure on public amenities and guides and general advertising; and
4. Reduced interest receivable

Administration and general purposes expenditure was some £11,398 under the budget set for the year. Whilst the provision for legal fees has not been required, it was offset by higher than anticipated printing and IT costs. The main reason for the favorable variance was the over budgeting of administration payroll costs since an element of these costs are recharged to the management of sewer work and housing maintenance for the time incurred on those functions for other agencies.

The Commissioners plan during 2009/10 continued a program of revenue funded remedial repairs to key operational properties including the Town Hall. However some planned expenditure was deferred in favour of working up an approved capital expenditure scheme for the refurbishment of the fabric of the building together with the re-construction of an extension to house public conveniences and disabled access to the main hall. Significantly increased insurance costs, the result of a full review of insurance re-instatement values of properties, offset the Town Hall repair savings and better than anticipated rental income, resulting in an unbudgeted overspend of £2,799 on property.

In the previous year negotiations had proceeded with the members of Port St Mary Golf Club to take over the day to day operation and running of the Golf Course and as from the 1st July 2009, Port St Mary Golf Club Limited under took the lease of the 9 hole course for an initial period of 3 years; they have an option to extend for a further 2 years. At the time the budget for 2009/10 was fixed, the Commissioners anticipated the likelihood of running the course for the whole year and incurring a net budget loss of £19,176. By transferring management and redeploying staff without incurring redundancy costs, the actual loss is £1,500. This included some costs for the course which were written off and is after rental income from the Golf Pavilion which is set at a commercial rate.

Public amenity expenditure exceeded budget by some £5,448, primarily as the result of set up costs incurred in the provision of car parking and a water stand pipe for the allotments created off Castletown Road, Rushen.

Interest receivable on bank deposits dropped significantly during the years 2009/10 and 2008/09 reflecting the continued fall in underlying sterling base rates since September 2008. As the Commissioners do not place fixed bank deposits for terms longer than one month, the effect of the base rate changes by the Bank of England were fed through to the Commissioners investment income almost immediately. The near collapse of the sterling deposit market (in common with all global major currencies) lead to even poorer interest rates than budgeted for 2009/10.

Movement on the General Revenue Fund

The movement on the General Revenue Fund is related solely to the surplus on the general revenue - income and expenditure account, less adjustment for the actual amount of pensions charged to the rate borne funds.

PORT ST MARY VILLAGE COMMISSIONERS

Financial Statements for the year ended 31st March 2010

Explanatory Foreword (continued)

Capital Expenditure

Total capital expenditure in the year in respect of :

- 1) Refurbishment of Commissioners houses at Seafield and St Marys Avenues was £1,096,781.
- 2) A scheme for providing central heating installations in 76 properties of £309,028.

Financing was provided by way of overdraft facility during the period of the construction or installation work. Elements of the overdraft facility will be crystallised into loans repayable over a maximum period of 30 years when a certificate of practical completion of each phase has been issued and final Bills of Quantity have been provided with regard to that phase of work. Loan interest and capital repayments will be met via housing deficiency scheme payments from central government.

General Rate Fund

The general rate income due and collected by the Authority is shown in the General Rate Fund. Rates were levied at 288p in the £ on a rateable value of £135,905 during the year (2009: 285p in the £ on a rateable value of £136,038). Rates arrears were £16,581 (2009: £12,905) and amounts recovered were £2,894 (2009: £2,917).

Investments and Borrowing

There were no borrowings made during the year to fund general revenue expenditure programmes. During the year the Authority borrowed £1,165,348 (2008/09: £nil) to finance capital projects.

Pensions Liability

The SORP requires the Commissioners to disclose certain information within its Statement of Accounts and this appears in note 5, pages 22 – 24, of the Financial Statements. Included within that information is the net liability on the Isle of Man Local Government Pension Scheme that is attributable to Port St Mary Village Commissioners. This is the difference between future liabilities and assets, as valued at 31st March 2010, and amounts to £520,000. No current provision exists to meet this deficit, which will be addressed by future contributions to the Pension Fund.

Reserves

The Authority has increased its general revenue fund from £99,512 at 31 March 2009 (re-stated) to £107,675 at 31 March 2010. These resources are retained to cover planned and potential expenditure, including support of the capital program, finance lease and debt repayments and as a buffer against anticipated financial risks.

Housing Revenue Account

The Housing Revenue Account shows the income and expenditure on Authority housing. The financial year 2009/10 resulted in a deficit of £281,111 (2008/09: deficit £93,787). After taking account of depreciation and capital repayment of loans of £174,316 (2008/09: £107,987), there is a deficit of £106,795 (2008/09: surplus £14,200) which is transferred from the Housing Repairs Reserve.

PORT ST MARY VILLAGE COMMISSIONERS

Financial Statements for the year ended 31st March 2010

Statement of Responsibilities for the Financial Statements

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. In this body, that officer is the 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 body's financial statements in accordance with proper practices as set out in the Isle of Man Statement of Recommended Practice 2007: Accounting for entities subject to the Audit Act 2006 ("the SORP").

In preparing this statement of accounts, the Responsible Financial Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- complied with the SORP.

The Responsible Financial Officer has:

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

Certificate by the Responsible Financial Officer

Under the Accounts and Audit Regulations 2007 these accounts are to be prepared by the 31st July and must be approved by the Responsible Financial Officer prior to approval by Port St Mary Village Commissioners.

I certify that the accounts set out on pages 11 to 30 of the Financial Statements has been prepared in accordance with proper accounting practices and present fairly the financial position of the Port St Mary Village Commissioners as at 31 March 2010 and its income and expenditure for the year ended 31 March 2010.

J B Kelly, ACA, BSc
Clerk / Responsible Financial Officer
Port St Mary Village Commissioners

29 July 2010

PORT ST MARY VILLAGE COMMISSIONERS

Financial Statements for the year ended 31st March 2010

Statement on Internal Control

Scope of Responsibility – Internal Control

The Accounts and Audit Regulations 2007 require the Commissioners to conduct a review at least once a year of the effectiveness of its system of internal control and include a statement on internal control within its accounts.

Port St Mary Village Commissioners is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that through the maintenance of its internal controls, public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In developing this overall responsibility, the Commissioners is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Commissioners functions, ensures compliance with all relevant legislation and regulations and which includes arrangements for the management of risk.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Commissioners policies, aims and objectives, to evaluate the likelihood of those risks of being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

A system of internal control has been in place at the Commissioners for the year ending 31st March 2010 and up to the date of approval of the accounts. The internal control systems of the Commissioners are annually under review, and system processes will be subject to future change as part of a drive to secure continuous improvement in the way the Commissioners processes are exercised, having regard to a combination of economy, efficiency and effectiveness.

The internal control environment (including internal financial controls)

Below is a summary of the key elements of the Commissioners internal control environment:

Establishment of the Commissioners objectives – Annually the Commissioners perform a 'zero' based approach to budget setting i.e. all areas of general revenue income and expenditure are reviewed. The budgeting process sets a plan of short and medium term priorities.

Facilitation of policy and decision making – The decision making process is defined in the Commissioners Standing Orders. Decisions within this framework are required to proceed through the full Board of Commissioners for approval. There is a framework for delegated decision-making powers at committee level, where decisions made fall within the parameters of existing Commissioners policy. All decisions are recorded in the Commissioners minute book, with formal minutes being available for public inspection.

Risk Management – The Commissioners are committed to producing risk management and business continuity strategies however no formal Risk Management Policy has been set out. A risk management report will be considered annually as part of the planning process that occurs during budget (rate) setting.

Financial Management – The Commissioners system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures, management supervision and systems of delegation. The systems of internal financial control provide reasonable but not absolute, assurance that assets are safeguarded, that transactions are authorised and properly recorded and that material errors or irregularities are either prevented or would be swiftly detected.

PORT ST MARY VILLAGE COMMISSIONERS

Financial Statements for the year ended 31st March 2010

Statement on Internal Control (continued)

The Clerk has been appointed as the Commissioner's Responsible Financial Officer. Under the terms of the Accounts and Audit Regulations 2007, this officer is required to determine the Commissioners accounting records and control systems. He has a responsibility for ensuring the proper administration of the Commissioners financial affairs. He reports regularly to the Board and the Finance Committee on matters of financial importance and significance.

The Commissioners follow clearly defined capital expenditure guidelines as set out in Petition Procedures: A guide to Local Authority Petitions, Nov. 2000, DoLGE in respect of all land and property transactions and any expenditure in excess of £100,000. Furthermore, the Commissioners Standing Orders on Contracts indicate that compliance with the Treasury's financial regulations for the IoM Government is a best practice guideline for financial procedures and management.

Development and maintenance of the system is undertaken by the Responsible Finance Officer. In particular, the system covers:

- Annual budgeting
- Periodic reviews of financial performance against budget and periodic reforecast of annual financial performance
- The preparation of monthly financial management reports on expenditure and payroll costs
- Clearly defined capital expenditure guidelines; and
- As appropriate formal project management disciplines

Internal Audit - The Commissioners also maintain an internal audit service to assist management with monitoring adherence to key controls and procedures. The internal audit function also carries out cyclic reviews of key financial procedures to ensure that identified controls governing risk areas are carried out. The function is delivered by an external supplier.

The service's objectives are primarily to satisfy the Commissioners statutory responsibility under the Accounts and Audit Regulations 2007 to "maintain in accordance with proper practices an adequate and effective system of internal audit of its accounting records and of its system of internal control". More specifically, the internal audit function must provide a service that objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources. There is an obligation for internal audit to provide an annual report to the Commissioners on the effectiveness of the operation of the systems of internal control.

Review of effectiveness

The effectiveness of systems of internal control is evaluated by the work of the internal audit function and the Responsible Financial Officer within the authority who has responsibility for the development and maintenance of the internal control environment, and also by comments made by the external auditors.

Significant internal control issues

I am not aware of any actual or potential non-compliance with laws and regulations that could have a material effect on the Commissioners to conduct its business or on the results and financial position disclosed in the financial statements for the year ended 31 March 2010. Nevertheless, taking into account all of the information made available, the Commissioners are not in a position to provide complete assurance to internal control strength but are intent on making further improvements. This is because the systems of performance and risk management are either not yet sufficiently formalised or developed in order to provide a properly informed opinion or assurance on these matters.

PORT ST MARY VILLAGE COMMISSIONERS
Financial Statements for the year ended 31st March 2010

Statement on Internal Control (continued)

A review of the internal control processes was carried out by internal audit to establish whether assurance has been obtained for key controls operating during the financial year ending 31st March 2010. In so far as the internal auditor has been able to place reliance on the audit work undertaken since the commencement of the new internal audit service, the following levels of assurance have been identified:

Summary of Internal Audit Work completed for the year ended 31 March 2010

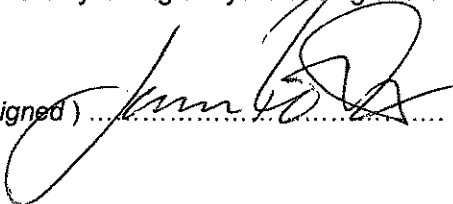
Area of review	Level of Assurance provided
Corporate governance including compliance with standing orders	Substantial
Minutes review	Substantial
Risk management	Limited
Review and implementation of new legislation	Substantial
Internal financial controls	Limited
Proper bookkeeping	Substantial
Annual Financial Statements	Limited
Budgeting procedures	Substantial
Expenditure controls – expense cycle	Limited
Payroll controls	Adequate
Asset controls	Substantial
IT controls	Substantial
Year end procedures	Substantial

The conclusion was as follows:

"Overall the standards of work practice and procedures at Port St Mary Village Commissioners are of a good standard and our recommendations are relatively limited in nature.

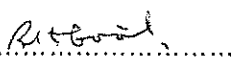
Following discussions with Senior Management, this year's report has been limited to the key areas where it was felt that the Authority was exposed to the most significant risk. We would recommend that in advance of the third year of internal audit, as part of their annual risk assessment, the Authority consider all of the operations of the Authority and agree a cyclical approach to the testing of all areas."

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, the Commissioners internal control and corporate governance arrangements are adequate and operate effectively during the year ending 31st March 2010.

(Signed) 

Responsible Financial Officer

(Dated) *26th January 2011*

(Signed) 

Chairman

Report of the Independent Auditors to Port St Mary Village Commissioners

We have audited the financial statements of Port St Mary Village Commissioners for the year ended 31 March 2010 which comprise the income and expenditure account, statement of the movement on the general revenue fund, housing revenue income and expenditure accounts, statement of movement on the housing revenue account balance, statement of total recognised gains and losses, the balance sheet, the cash flow statement, the general rate fund, the related notes. The financial statements have been prepared in accordance with the accounting policies directed by the Isle of Man Treasury as relevant to local authorities set out therein.

This report is made solely to the 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 Commissioners, those matters we are required to state to them in an auditors' 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 Commissioners, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Commissioners and auditors

The Commissioners' responsibilities for preparing the Statement of Accounts, including the financial statements, in accordance with applicable law are set out in the Statement of Responsibilities for the Statement of Accounts.

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). We report to you our opinion as to whether the financial statements give a true and fair view and have been prepared in accordance with the Accounts and Audit Regulations 2007 made under the Audit Act 2006.

In addition, we are required by section 4 of the Audit Act 2006 to consider whether the financial statements comply with the regulations made under section 12 of the Act and any directions under section 13, whether expenditure or income or any other transaction effected by or on account of the authority is or will be contrary to law, and whether the internal organisation of the authority and the controls maintained by it are such as to secure proper management of the finances of the authority and economy and efficiency in the use of its resources. Where we are not satisfied in respect of any of these matters our report will include a statement to that effect.

We read other information published with the Statement of Accounts and consider whether it is consistent with the audited financial statements. This other information comprises the explanatory foreword, the statement of responsibilities for the statement of accounts, and the statement of internal control. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Commissioners in the preparation of the financial statements, and of whether the accounting policies are appropriate to the authority's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Report of the Independent Auditors to Port St Mary Village Commissioners
(continued)**

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with the requirements of the SORP, of the state of the authority's affairs as at 31 March 2010 and of its result, for the year then ended; and
- have been prepared in accordance with the Accounts and Audit Regulations 2007 made under the Audit Act 2006.

PKF (Isle of Man) LLC

PKF (Isle of Man) LLC
Douglas
Isle of Man

Date: 2 February 2011

PORT ST MARY VILLAGE COMMISSIONERS

Income and Expenditure Account for the year ended 31st March 2010

Statement of net expenditure	Notes	2010		(Restated) 2009	
		£	£	£	£
<i>Income generated from:</i>					
Administration and general purposes		2,596		3,367	
Property		36,472		29,594	
Refuse Collection		25,536		25,448	
Sewers		27,859		73,150	
<i>Parks and Leisure:</i>					
Golf links		26,278		59,820	
Public amenities		-		2,258	
			118,741		193,637
<i>Less expenditure generated by:</i>					
Administration and general purposes		160,459		154,107	
Direct labour - central costs		41,243		57,645	
Property		53,813		47,769	
Refuse Collection		95,603		102,159	
Sewers		24,465		117,110	
<i>Public Works:</i>					
Public lighting		23,023		26,070	
Street cleaning and car parks		15,474		10,852	
Public conveniences		9,278		6,783	
<i>Parks and Leisure:</i>					
Golf links		27,778		70,419	
Maintenance of public areas		32,643		32,102	
Public amenities		35,368		26,872	
Guides and general advertising		4,924		876	
			(524,071)		(652,764)
Current Service cost of Pensions - net surplus			19,800		15,400
Net Cost of General Revenue Fund services			<u>(385,530)</u>		<u>(443,727)</u>
Housing Services - Income		409,520		389,339	
Less: Housing Services - Gross Expenditure		<u>517,871</u>		<u>302,845</u>	
Net Cost of services			<u>(108,351)</u>		<u>86,494</u>
			(493,881)		(357,233)
Gain on disposal of fixed assets			2,451		110
Interest payable and similar charges			(147,173)		(163,649)
Interest receivable			603		27,916
Pensions Interest cost and Return on Assets			(17,000)		(9,000)
Net operating expenditure			<u>(655,000)</u>		<u>(501,856)</u>
Sources of finance:					
General rates		375,942		369,953	
less: Collection charges		<u>(4,323)</u>		<u>(4,295)</u>	
Income from General rates			371,619		365,658
Deficit for the year			<u><u>(283,381)</u></u>		<u><u>(136,198)</u></u>

The notes on pages 19 - 30 form part of these financial statements.

PORT ST MARY VILLAGE COMMISSIONERS

Statement of Movement on the General Revenue Fund Balance for the year ended 31st March 2010

Statement of Movement on the General Revenue Fund Balance	2010 £	(Restated) 2009 £
Deficit on Income and Expenditure Account	(283,381)	(136,198)
<i>Amounts included in the Income and Expenditure Account but required by statute and non statute practice to be excluded when determining the Movement on the General Revenue Fund</i>		
Reversal of net charges made for retirement benefits in accordance with the SORP	5 44,000	40,000
Actual amount charged against General Revenue Fund for pensions in the Year	5 (46,800)	(46,400)
Depreciation	6a 28,661	33,498
<i>Transfers to or from the General Revenue Fund that are required to be taken into account when determining the Movement on the General Revenue Fund Balance for the year</i>		
Transfer to Housing Revenue Account	281,111	93,787
Transfer to Capital Adjustment Account	-	117,575
Transfer from Capital Adjustment Account - service cost of general revenue funded fixed assets	(15,428)	(28,396)
General Revenue Fund balance brought forward	99,512	104,234
Prior year adjustment re street light depreciation	-	(78,588)
General Revenue Fund Balance carried forward	<u>107,675</u>	<u>99,512</u>

The notes on pages 19 - 30 form part of these financial statements.

PORT ST MARY VILLAGE COMMISSIONERS

General Rate Fund for the year ended 31st March 2010

	2010		2009	
	£	£	£	£
General rates account				
Rates levied @ 288 p (2009: 285 p) in the £ on total valuation of the district certified by Treasury at £135,905 (2009: £136,038)		391,816		387,932
<i>Add:</i> Due from Treasury re. prior year		6,193		12,142
Arrears brought forward		<u>13,065</u>		<u>11,590</u>
		411,074		411,664
<i>Less:</i>				
Discounts	13,535		13,679	
Exempt and unoccupied properties	2,429		2,664	
Refunds	<u>70</u>		<u>741</u>	
		(16,034)		(17,084)
Total rates collectable		<u><u>395,040</u></u>		<u><u>394,580</u></u>
Rates received in the year:				
Balance from Treasury re prior years	6193			
Current year	366,381		372,565	
Arrears collected by Treasury	<u>2,894</u>		<u>2,917</u>	
Total rates received in the year		375,468		375,482
		-		-
Arrears carried forward				
Due from Treasury re current year	2,991		6,193	
Current year	6,409		4,973	
Previous years	<u>10,172</u>		<u>7,932</u>	
		19,572		19,098
		<u><u>395,040</u></u>		<u><u>394,580</u></u>

The notes on pages 19 - 30 form part of these financial statements.

PORT ST MARY VILLAGE COMMISSIONERS

Balance Sheet as at 31st March 2010

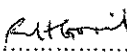
	Notes	2010 £	(Restated) 2009 £
Fixed assets			
Tangible fixed assets	6	18,748,785	17,581,751
Current assets			
Debtors	7	124,332	82,609
Cash at bank		<u>653,517</u>	<u>656,706</u>
		777,849	739,315
Current liabilities			
Creditors - amounts falling due within one year	8	(70,634)	(47,785)
Bank loans	10	(69,271)	(44,981)
Finance leases	11	(7,235)	(6,722)
Bank overdrafts	9	<u>(2,615,228)</u>	<u>(2,243,563)</u>
		(2,762,368)	(2,343,051)
Long term Liabilities			
Bank loans	10	(2,960,797)	(1,875,095)
Finance leases	11	-	(7,235)
Net defined benefit pension liability	5	(520,000)	(198,000)
Total assets less liabilities		<u><u>13,283,469</u></u>	<u><u>13,897,685</u></u>
Financed by:			
General Revenue Fund	12	107,675	99,512
Housing repairs reserve	12	174,474	281,269
Capital receipts reserve	12	205,411	205,411
Capital adjustment account	12	851,761	889,587
Pensions reserve	5,12	(520,000)	(198,000)
Revaluation reserve	12	12,464,148	12,619,906
		<u><u>13,283,469</u></u>	<u><u>13,897,685</u></u>

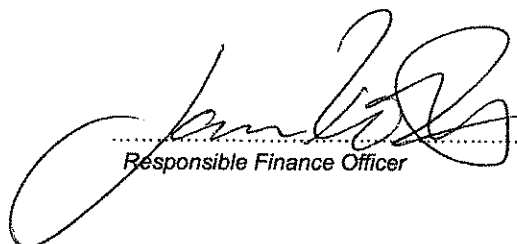
The notes on pages 19 - 30 form part of these financial statements.

The financial statements were approved by the Commissioners on
authorised for issue by:

26th January

2011 and


.....
Chairman


.....
Responsible Finance Officer

PORT ST MARY VILLAGE COMMISSIONERS

Cash Flow Statement for the year ended 31st March 2010

	2010		(Restated) 2009	
	£	£	£	£
Revenue & Housing activities:				
Cash outflows				
Cash paid to and on behalf of employees	(255,596)		(283,123)	
Other operating cash payments	(242,999)		(267,194)	
Other housing (maintenance) cash payments	<u>(221,194)</u>		<u>(87,820)</u>	
		(719,789)		(638,137)
Cash inflows				
Rents - revenue	66,818		60,572	
Rents (after rebates) - housing stock	304,978		286,112	
Rate receipts	371,144		370,292	
Cash received for goods and services	<u>58,893</u>		<u>117,825</u>	
		801,833		834,801
		82,044		196,664
Returns on Investments and servicing of finance:				
Cash outflows				
Interest paid	(141,908)		(163,930)	
Interest element of finance lease rentals	<u>(1,066)</u>		<u>(2,367)</u>	
		(142,974)		(166,297)
Cash inflows				
Interest received - revenue	486		21,069	
Interest received - housing	<u>127</u>		<u>7,076</u>	
		613		28,145
Capital activities:				
Cash outflows				
Purchase of fixed assets	<u>(1,419,806)</u>		<u>(1,183,198)</u>	
		(1,419,806)		(1,183,198)
Cash inflows				
Sale of fixed assets	2,000		110	
Other capital cash receipts	<u>-</u>		<u>-</u>	
		2,000		110
Net cash inflow/outflow before financing		<u>(1,478,123)</u>		<u>(1,124,576)</u>
Financing:				
Cash outflows				
Repayments of amounts borrowed	(55,357)		(42,664)	
Capital element of finance lease rental payments	<u>(6,722)</u>		<u>(16,332)</u>	
		(62,079)		(58,996)
Cash inflows				
New loans raised	<u>1,165,348</u>		<u>-</u>	
		1,165,348		-
Net decrease in cash		<u>(374,854)</u>		<u>(1,183,572)</u>
<i>(See Notes 2 and 3 on page 18)</i>				

PORT ST MARY VILLAGE COMMISSIONERS

Notes

(forming part of the Financial Statements for the year ended 31st March 2010)

3. Employees' remuneration

The number of employees whose remuneration, excluding pension contributions, was £50,000 or more: Nil (2008/09: Nil). As at 31 March 2010, there were 10 members of staff (2009: 10 members of staff).

4. Audit fees

The Commissioners incurred the following fees relating to external audit and inspection:

	2010	2009
	£	£
External audit services carried out by the appointed auditor	6,000	4,578

5. Pension costs

As part of its terms and conditions of employment of its employees, the Commissioners offers retirement benefits. The Commissioners participate in the Isle of Man Local Government Pension Scheme ("the Scheme"), which is administered by the Douglas Borough Council. This is a defined benefit statutory scheme, administered in accordance with the Isle of Man Local Government Superannuation Scheme Regulations 2003. The Scheme is contracted out of the State Second Pension Scheme. The Commissioners and its employees pay contributions into the Scheme. These contributions are calculated at a level to balance the pensions liabilities with investment assets. Further information regarding the Scheme can be obtained on the Douglas Borough Council website (www.douglas.gov.im).

During 2009/10 the Commissioners employers contributions payable were £46,835 (2008/09: £46,365), representing 23.0% (2009: 23.0%) of pension pay into Pension Scheme. The contribution rate is determined by the Fund's Actuary based on triennial valuations, the last full review being at 31st March 2007.

The following table reconciles the charges within the Income and Expenditure Account with the actual employer's contribution into the Fund:

	2010	% of pay	2009	% of pay
	£ 000s		£ 000s	
Current Service Cost of Pension Scheme	27.0	13.4%	31.0	15.4%
Interest Cost on Pension Scheme Liabilities	50.0	24.4%	50.0	24.6%
Expected Return on Scheme Assets	(33.0)	(16.1%)	(41.0)	(20.2%)
Net Return	44.0	21.7%	40.0	19.8%
Movements on Pensions Reserve	2.8		6.4	
Actual Amount Charged Against Ratepayers in Year - Employer Contributions Payable to Scheme	46.8		46.4	

The service cost figures include an allowance for administration expenses of 1.9% of payroll.

Although the benefits accruing from the Pension Scheme are not actually payable until employees retire, the Commissioners have a commitment to make such payments and disclose them at the time the employees earn that future entitlement. In line with requirements under the SORP, the Commissioners recognise the cost of retirement benefits in the year that they are earned by the employees, rather than when the benefits are eventually paid as pensions. The real cost of retirement benefits is therefore reversed out of the Statement of Movement on the General Fund Balance. However, the charge that is actually made against ratepayers is based on the cash payment made to the Pension Fund representing the employer's contributions in the year.

PORT ST MARY VILLAGE COMMISSIONERS

Notes

(forming part of the Financial Statements for the year ended 31st March 2010)

5. Pension costs (continued)

5a. Basis for Estimating Assets and Liabilities

In accordance with the SORP, the Commissioners must 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 2010 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 actuary has also adopted a set of demographic assumptions that are consistent with those used for the Pension Scheme at the last triennial valuation on 31 March 2007. The actuary used this valuation as the basis for the SORP calculations. The assets in the Isle of Man Local Government Pension Scheme are valued at fair value, principally market value for investments, and the asset categories are shown in the Isle of Man Local Government Pension Scheme Accounts.

The main financial assumptions used in the calculations are:

Year Ended:	31 Mar 2010	31 Mar 2009
	% p.a.	% p.a.
Inflation / Pension Increase Rate	3.8%	3.1%
Salary Increase Rate	5.3%	4.6%
Expected Return on Assets	6.9%	6.2%
Discount Rate	5.5%	6.9%

Breakdown of the expected return on assets by category:

Year Ended:	31 Mar 2010	31 Mar 2009
	% p.a.	% p.a.
Equities	7.8%	7.0%
Bonds	5.0%	5.6%
Property	5.8%	4.9%
Cash	4.8%	4.0%

5b. Balance sheet disclosures as at 31 March 2010:

Fair value of employer assets (bid value) by category:

	31 Mar 2010	31 Mar 2009
	£ 000s	£ 000s
Equities	486	282
Bonds	194	174
Property	60	21
Cash	7	38
Total	<u>747</u>	<u>515</u>

Balance Sheet

	31 Mar 2010	31 Mar 2009
	£ 000s	£ 000s
Fair Value of Employer Assets	747	515
Present Value of Funded Liabilities	(1,267)	(713)
Net Under funding in Funded Plans	<u>(520)</u>	<u>(198)</u>
Present Value of Unfunded Liabilities	-	-
Unrecognised Past Service Cost	-	-
Net Liability	<u>(520)</u>	<u>(198)</u>

Amount in the Balance Sheet:

Liabilities	520	198
Net Liability	<u>(520)</u>	<u>(198)</u>

The impact of complying in full with the SORP has been to reduce the total net assets of the Commissioners by £520,000 (2009 £198,000).

PORT ST MARY VILLAGE COMMISSIONERS

Notes

(forming part of the Financial Statements for the year ended 31st March 2010)

5. Pension costs (continued)

The net liability represents the difference between the value of the Commissioner'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 global equity markets after 1st April 2010 would also have an impact on the capital value of pension fund assets.

The extent to which the expected future returns on assets are sufficient to cover the estimated net liabilities will be considered by the actuaries in their next full actuarial review of the Scheme, due to be carried out as at 31st March 2010. Their advice on whether or not there is any anticipated shortfall in the funding of the Scheme at that time will determine the future level of pension contributions. The planned level of contribution rates aim to recover the above liabilities over 14 years (from the last triennial valuation date).

5c. General Revenue Fund costs

Reconciliation of defined benefit obligation

	Year Ended 31 Mar 2010 £ 000s	Year Ended 31 Mar 2009 £ 000s
Opening Defined Benefit Obligation	713	706
Current Service Cost	27	31
Interest Cost	50	50
Contributions by Members	12	12
Actuarial Losses / (Gains)	476	(76)
Estimated Benefits Paid	(11)	(10)
Closing Defined Benefit Obligation	1,267	713

Reconciliation of fair value of employer assets

	Year Ended 31 Mar 2010 £ 000s	Year Ended 31 Mar 2009 £ 000s
Opening Fair Value of Employer Assets	515	572
Expected Return on Assets	33	41
Contributions by Members	12	12
Contributions by the Employer	47	47
Actuarial Gains / (Losses)	151	(147)
Benefits Paid	(11)	(10)
Closing Fair Value of Employer Assets	747	515

Amounts for the current and previous accounting periods

	Year Ended 31 Mar 2010 £ 000s	Year Ended 31 Mar 2009 £ 000s
Fair Value of Employer Assets	747	515
Present Value of Defined Benefit Obligation	(1,267)	(713)
Deficit	(520)	(198)
Experience Gains /(Losses) on Assets	151	(147)

The above figures have been provided by the actuaries to the Isle of Man Local Government Pension Scheme using information provided by the Scheme, and assumptions determined by the Commissioners and Scheme administrators, Douglas Corporation, 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 31st March 2010)

6. Tangible fixed assets

6a. Net Book Values	Land & Property £	Street lights £	Motor vehicles & equipment £	Total £
Cost or Valuation				
At 1 April 2009	17,723,551	94,129	146,627	17,964,307
Prior Year Adjustment (see Note 17)	(45,575)	3,747	-	(41,828)
At 1 April 2009 (Restated)	17,677,976	97,876	146,627	17,922,479
Additions	1,418,309	9,607	-	1,427,916
Disposals	-	-	(9,405)	(9,405)
At 31 March 2010	<u>19,096,285</u>	<u>107,483</u>	<u>137,222</u>	<u>19,340,990</u>
Depreciation				
At 1 April 2009	160,343	-	104,678	265,021
Prior Year Adjustment (see Note 17)	(4,590)	80,297	-	75,707
At 1 April 2009 (Restated)	155,753	80,297	104,678	340,728
Depreciation charge	242,905	2,349	13,079	258,333
Eliminated on disposal	-	-	(6,856)	(6,856)
At 31 March 2010	<u>398,658</u>	<u>82,646</u>	<u>110,901</u>	<u>592,205</u>
Net book value as at 31 March 2010	<u>18,697,627</u>	<u>24,837</u>	<u>26,321</u>	<u>18,748,785</u>
Net book value as at 31 March 2009 (restated)	<u>17,522,223</u>	<u>17,579</u>	<u>41,949</u>	<u>17,581,751</u>

The prior year adjustment on depreciation of land & property relates to a correction of the 2009 valuation attributed to the Commissioners dwelling houses. Previously this included the valuation of the dwellings site plot; this should not have attracted a depreciation charge. The valuation attributed to the dwelling site plot is not shown separately. The authority has charged depreciation on street lights for the first time this year.

The prior year adjustment on the cost of land & property of £45,575 relates to the correction of prior year analysis of the settlement of IRIS sewer construction costs.

Land & Property may be further analysed as follows:

	1 April 2009	Additions	Reclassified / adjustments	31 March 2010
Book Values	£	£	£	£
Dwellings	14,754,610	1,405,809	-	16,160,419
Other land and buildings	2,245,300	-	-	2,245,300
Community assets	2,066	12,500	-	14,566
Infrastructure assets	45,575	-	(45,575)	-
Non-Operational assets - Investment properties	676,000	-	-	676,000
Land & Property	<u>17,723,551</u>	<u>1,418,309</u>	<u>(45,575)</u>	<u>19,096,285</u>

During the 4th quarter of 2008, qualified RICS surveyors from Chrystal Bros. Stott & Kerruish Ltd. trading as Chrystal Commercial, undertook a valuation of the Commissioners portfolio of land and properties for insurance (building reinstatement) and valuation purposes using the valuation methodology set out in CIPFA / RICS guidance.

As at the 1st December 2008 the portfolio of 122 dwellings were valued at a value of £14,344,200 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 value of the dwellings would be £23,907,000; the difference in valuations represents the economic cost to the Authority of providing housing at less than open market rents.

PORT ST MARY VILLAGE COMMISSIONERS

Notes (continued)

(forming part of the Financial Statements for the year ended 31st March 2010)

6. Tangible fixed assets (continued)

6b. Assets held	Number at 31 March 2010	Number at 31 March 2009
Operational assets		
Dwellings - Houses and bungalows	104	101
Dwellings - flats	12	12
Under Construction - Dwellings in refurbishment	6	9
Other Land and buildings:		
Car parks	4	4
Depots	1	1
Public conveniences	2	2
Public Hall / Office	1	1
Community assets:		
Municipal golf course / recreational areas	1	1
Parks, gardens and open spaces	7	7
Infrastructure assets	1	1
Non-operational assets		
Commercial properties	2	2
Other properties	3	3
Agricultural land	1	1
Garages (general fund)	16	16

6c. Housing Stock

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

	2010 £	2009 £
Houses and bungalows	14,689,843	13,010,458
Flats and maisonettes	912,000	912,000
	<u>15,601,843</u>	<u>13,922,458</u>

Changes in the housing stock are detailed below:

	2010 £	2009 £
Stock at 1 April 2009	13,922,458	4,613,106
Additions	1,405,809	1,000,879
Reclassification	273,576	-
Revaluation	-	8,308,473
Stock at 31 March 2010	<u>15,601,843</u>	<u>13,922,458</u>

PORT ST MARY VILLAGE COMMISSIONERS

Notes (continued)

(forming part of the Financial Statements for the year ended 31st March 2010)

7. Debtors	2010	(Restated) 2009
	£	£
Rates due from Treasury	2,991	6,193
VAT	33,464	21,682
Housing deficiency claims	49,496	16,694
Sewer debtor	3,709	18,960
Rate arrears	16,582	12,905
Housing rents and rates receivable	3,473	2,121
Sundry debtors	11,613	3,565
Sundry debtors - sale of fixed assets	3,000	-
Prepayments - other	-	475
Accrued interest receivable	4	14
	<u>124,332</u>	<u>82,609</u>

7a. Housing rent arrears

Housing rent arrears as a percentage of gross rent receivable as at 31 March 2010 is 1.0 % (2009: 0.7%)
Arrears written off during the year amounted to £Nil (2009: £Nil).

8. Creditors	2010	2009
	£	£
Employment creditors	8,094	8,386
Housing rents and rates prepaid	8,512	12,129
Sundry creditors and accruals	26,856	13,473
Sundry creditors - fixed asset purchases	12,500	4,390
Accrued Interest payable	14,672	9,407
	<u>70,634</u>	<u>47,785</u>

9. Bank overdrafts

Included in overdrafts are amounts in respect of an approved facility for short term borrowing to meet the costs of construction and professional fees related to Seafield / St Marys Avenue new build and refurbishment Phase 1. Upon certified completion of each capital element part of the overdraft will be crystallised into long term loans repayable over 30 years. The amount included at 31 March 2010 is £2,598,738 (2009: £2,230,139).

10. Bank Loans

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

	2010	2009
	£	£
Commercial loans	<u>3,030,068</u>	<u>1,920,076</u>
	<u>3,030,068</u>	<u>1,920,076</u>

Loans are repayable on fixed interest rate and repayment period terms which have been sanctioned by both the Treasury and the Department of Infrastructure on a loan by loan basis; loans are secured by way of a Letter Comfort issued by the Treasury. Bank interest payable is charged at fixed rates between 4.70% and 5.35% per annum. Loans are repayable between 2021 and 2036.

PORT ST MARY VILLAGE COMMISSIONERS

Notes (continued)

(forming part of the Financial Statements for the year ended 31st March 2010)

10. Bank Loans (continued)

	2010	2009
	£	£
Analysis of loans by repayment:		
Up to 1 year	69,271	44,981
Between 1 and 2 years	73,149	46,549
Between 2 and 5 years	242,750	156,312
Between 5 and 10 years	493,955	320,601
More than 10 years	2,150,943	1,351,633
Total outstanding	<u>3,030,068</u>	<u>1,920,076</u>

11. Finance Leases

The Authority carries the following values of assets under finance leases, accounted for as part of tangible fixed assets as follows:

	Motor vehicles & equipment £
Value at 1 April 2009	14,776
Additions	-
Depreciation	(6,758)
Value as at 31 March 2010	<u>8,018</u>

Outstanding obligations to make payments under these finance leases (excluding finance costs) at 31 March 2010, are as follows:

	£
Payable within one year	7,235
Payable between one and five years	-
Payable after five years	-
	<u>7,235</u>

12a. Capital reserves and accounts

	Revaluation Reserve £	Capital Receipts Reserve £	Capital Adjustment Account £	Housing Repairs Reserve £
Balance at 1 April 2009	12,595,088	205,411	1,027,390	333,499
Prior Year Adjustments - years prior to 2009 (Note 17)	-	-	(117,575)	(52,230)
Prior Year Adjustments - related to year 2009 (Note 17)	24,818	-	(20,228)	-
Balance at 1 April 2009 (restated)	<u>12,619,906</u>	<u>205,411</u>	<u>889,587</u>	<u>281,269</u>
Net surplus for year	-	-	-	26,803
Transfers to / from other reserves	(155,758)	-	(93,183)	-
Capital redemptions	-	-	55,357	-
HRA capital expenditure from repairs reserve	-	-	-	(133,598)
Balance at 31 March 2010	<u>12,464,148</u>	<u>205,411</u>	<u>851,761</u>	<u>174,474</u>

PORT ST MARY VILLAGE COMMISSIONERS

Notes (continued)

(forming part of the Financial Statements for the year ended 31st March 2010)

12b. Revenue reserves

	Pensions Reserve £	General Revenue £
Balance at 1 April 2009	(198,000)	104,062
Prior Year Adjustments - related to year 2009 (Note 17)	-	(4,550)
Balance at 1 April 2009 (restated)	(198,000)	99,512
Net deficit for year	-	(283,381)
Appropriations to / from revenue	2,800	291,544
Actuarial losses - pension assets and liabilities	(324,800)	-
Balance at 31 March 2010	<u>(520,000)</u>	<u>107,675</u>

13. Related Party Transactions

The Isle of Man Government has a significant level of interaction with the operations of the Authority. It is responsible for providing the statutory framework within which the Authority operates, and provides a significant element of funding in the form of housing deficiency arrangements and drainage agency claims.

	2010 £	2009 £
Other significant related party transactions are :-		
<i>Income:</i>		
Southern Civic Amenity Site Board - ground rents receivable	15,620	15,540
Dept. of Transport Drainage Division - agency claims payable in respect of expenditure incurred on public sewers	27,859	73,150
<i>Expenditure</i>		
Treasury - collection charges in respect of general rates	4,323	4,295
Refuse disposal charges - Department of Infrastructure	13,097	13,163
Southern Civic Amenity Site Board - contribution to running costs	21,232	21,480
Southern Local Authorities Swimming Pool	3,398	3,006

Members of the Authority have direct control over the Commissioner's financial and operating policies. As contracts are set in compliance with the Commissioners Standing Orders, the risk of abuse of that position is minimal. There were no transactions during 2009/10 which would be deemed related party transactions (2008/09 - Nil).

The Clerk is also deemed to be a related party to the Commissioners. There were no transactions other than payments falling within normal terms of employment.

14. Capital expenditure and financing

	2010 £	2009 £
Capital investment		
Operational assets	<u>1,427,916</u>	<u>1,187,588</u>
Sources of finance		
Capital receipts	-	183,272
Revenue provision	9,607	1,436
Loan finance	1,165,348	-
Overdrafts	252,961	1,002,880
	<u>1,427,916</u>	<u>1,187,588</u>

PORT ST MARY VILLAGE COMMISSIONERS

Notes (continued)

(forming part of the Financial Statements for the year ended 31st March 2010)

15. Capital Commitments

The estimated commitments for capital expenditure that had started, or where legal contracts have been entered into by 31 March are listed below:

	2010	2009
	£	£
Housing - St Marys/ Seafield refurbishment phase 1 (16 properties)	185,102	193,948
Housing - St Marys/ Seafield refurbishment phase 2 (22 properties)	739,930	1,827,865
Central Heating replacement scheme (76 dwellings)	127,417	-

16. Contingent Liabilities

As at 31st March 2010 there are no contingent liabilities. During the current year a liability for damages was settled without recourse to litigation and within the policy indemnity limit of the Commissioners public liability insurance. Any legal costs were met from the insurers policy cover.

17. Prior Year Adjustments

The following prior year adjustments have been recognised in the Statement of Total Recognised gains and losses (STRGL) :

Housing reserve correction re deficiency calculations	(52,230)
Depreciation on street lighting and prior year additions capitalised	(76,550)
Reversal of depreciation on investment properties and on the valuation of land attributed to each dwelling site plot.	4,590
Fixed asset additions 2005 - IRIS costs capitalised in error	(45,575)
	<u>(169,765)</u>

Previously annual surplus on the housing deficiency scheme had been transferred in error to the housing repairs reserve thus overstating the debtor due from central government. The housing deficiency payment for the financial years up to 31 March 2009 have been agreed post year end. A deficiency payment of £16,694 was received on 10 August 2010.

The authority has charged depreciation on street lights. This change in accounting policy has been reflected in the comparative figures as if it had been charged since the assets were acquired. The effect of this was to create a depreciation charge in the year ended 31 March 2009 of £8,051 and as at 31 March 2009 to increase the cumulative depreciation £80,297 and reduce the capital adjustment account by £72,000. Furthermore, some street light columns fully costed to general revenue services during the prior year have been capitalised in accordance with the new policy.

The prior year adjustment to depreciation of land & property partially relates to corrections to the depreciation charge on the 2009 valuation of dwelling houses. Previously this included the valuation of the dwellings site plot; as land it should not have attracted a depreciation charge. The second part of the adjustment relates to the correction to reverse the depreciation charged in error on an investment property.

The prior year adjustment on the cost of land & property of £45,575 relates to the correction of prior year analysis of the settlement of IRIS sewer construction costs which had overstated the cost of fixed assets. The repayment of excess capital monies for the approved scheme should have been offset against the capital adjustment account.

Certain of the comparatives have been restated to be consistent with the current year presentation.

18. Post Balance Sheet Events

Events may occur between the balance sheet date and the date the accounts are authorised for issue, which might have a bearing upon the financial statements. For the purpose of this note, the date that the statements are authorised for issue has been determined as the date the statements were formally tabled before members of the Authority for approval, i.e., 4 August 2010, as this is the date from which accounts will be publically available.

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

PORT ST MARY VILLAGE COMMISSIONERS

Detailed Income and Expenditure Account for the year ended 31st March 2010

	2010		(Restated) 2009	
	£	£	£	£
Administration and general office expenses				
Salaries, NI contributions, superannuation				
Manual wages	126,747		118,918	
Audit fee	744		1,760	
Accountancy & professional fees	6,028		4,606	
Legal & Consultancy fees	4,987		7,842	
Printing and stationery	-		415	
Photocopying	3,148		3,944	
Incidentals	1,336		1,528	
Election expenses	491		1,146	
Bank charges	2,784		978	
Travel expenses	882		1,037	
Attendance allowances	227		504	
Computer expenses	2,820		2,820	
Office costs (<i>postage & cleaning</i>)	4,098		1,528	
Telephone	3,419		3,074	
Staff training	2,014		2,214	
Advertising	192		1,253	
	<u>542</u>		<u>540</u>	
		160,459		154,107
<i>Less receipts</i>				
Search fees	2,400		3,225	
Incidentals	<u>196</u>		<u>142</u>	
		(2,596)		(3,367)
		<u>157,863</u>		<u>150,740</u>
Direct labour - Central costs				
Manual workers holiday		20,655		29,592
Manual workers sick pay		6,291		14,054
Manual supervising wages		28		-
Manual workers union pay		(5)		(2)
Vehicles costs and fuel		13,564		12,839
Vehicles-wages		710		883
Miscellaneous		-		279
		<u>41,243</u>		<u>57,645</u>
Property				
Depreciation	13,233		5,102	
Insurance	9,491		2,054	
Maintenance	3,086		6	
Town Hall costs (<i>maintenance, heat, light & rates</i>)	19,848		27,110	
Town Hall maintenance wages	2,705		3,479	
Store	3,629		8,170	
Store-wages	1,821		1,107	
Depot maintenance	-		741	
		53,813		47,769
<i>Less receipts</i>				
Lettings	19,669		12,672	
Rent-garages	13,656		14,044	
Rent-other	<u>3,147</u>		<u>2,878</u>	
		(36,472)		(29,594)
		<u>17,341</u>		<u>18,175</u>

PORT ST MARY VILLAGE COMMISSIONERS

Detailed Income and Expenditure Account (continued) for the year ended 31st March 2010

	2010		(Restated) 2009	
	£	£	£	£
Refuse Disposal				
Wages	43,666		38,291	
Refuse expenses	13,378		13,402	
Vehicle expenses	14,669		26,937	
Refuse bins	1,257		90	
Amenity site costs	22,239		23,035	
Refuse sacks	394		404	
		95,603		102,159
<i>Less receipts</i>				
Refuse collection	9,916		9,908	
Amenity site lease rental	15,620		15,540	
		(25,536)		(25,448)
		<u>70,067</u>		<u>76,711</u>
Sewers (Drainage agency)				
Pumping stations	-		45,575	
Wages	9,367		5,185	
Sewer maintenance	13,833		65,328	
Machinery	1,265		1,022	
		24,465		117,110
<i>Less receipts</i>				
Government sewerage deficiency	25,729		55,955	
Sewer connection charges	2,130		17,195	
		(27,859)		(73,150)
		<u>(3,394)</u>		<u>43,960</u>
Public Works				
Public lighting				
Street lighting (inc. depreciation)		20,467		19,704
Public lighting - decorative lights		217		714
Street lighting-wages		-		26
Loan charges		2,339		5,626
		<u>23,023</u>		<u>26,070</u>
Street cleaning and car parks				
Street cleaning and maintenance of footpaths		6,699		166
Wages - Street cleaning		6,288		6,584
Car Parks		2,487		4,102
		<u>15,474</u>		<u>10,852</u>
Public conveniences				
Wages		3,055		1,740
General expenses		6,223		5,043
		<u>9,278</u>		<u>6,783</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 31st March 2010

	2010		(Restated) 2009	
	£	£	£	£
Parks and Leisure				
Golf links				
Machinery	1,572		9,014	
Attendants' commission	268		3,970	
Wages	13,838		43,664	
Maintenance	7,902		8,476	
Miscellaneous <i>inc rates & insurance</i>	1,912		1,846	
Irrigation	1,812		2,681	
Tennis courts	474		768	
		27,778		70,419
Less receipts				
Fees - golf	11,149		44,573	
Rents	15,000		15,000	
Misc - book sales	-		15	
Croquet	129		232	
		(26,278)		(59,820)
		<u>1,500</u>		<u>10,599</u>
Maintenance of public areas				
Gardening & bedding plants & Dog- Litter Warden		12,740		13,097
Grass cutting - labour and machinery		19,903		19,005
		<u>32,643</u>		<u>32,102</u>
Public amenities				
Annual contribution to Southern Local Authorities Swimming Pool		3,398		3,006
Outdoor seating		18		1,615
Outdoor seating-wages		1,193		1,955
Playground equipment		11,894		11,516
Playground -wages		1,898		937
Christmas tree		441		1,072
Christmas tree-wages		522		704
Signage		846		5
Signage-wages		566		446
Chapel Beach - cleaning & bathing raft		2,519		2,860
Chapel Beach-wages		527		187
Mariners shelter		2,010		678
Miscellaneous		1,384		-
Marine Day-wages		-		353
Allotments - Ballagawne		8,152		788
Library		-		750
		35,368		26,872
Less receipts				
Memorial seats subscriptions		-		(2,258)
		<u>35,368</u>		<u>24,614</u>
Guides and general advertising				
Plaques and flags		365		125
Flags-wages		1,751		751
Miscellaneous		2,612		-
Wages		196		-
		<u>4,924</u>		<u>876</u>

This page does not form part of the audited financial statements.