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**Port St. Mary Village Commissioners**

**Statement of Accounts**

**For the year ended 31 March 2011**

# 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 2011. 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 recover 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 2011 the deficit for the year amounted to £22,117 (2010 deficit: £283,381). 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 2011, the surplus amounted to £6,108, (2010 surplus: £8,163) meaning the authority now has general fund reserves of £113,783 (2010: £107,675).

### **Housing Revenue Account**

The Housing Revenue Account shows the income and expenditure on Authority housing. The financial year 2010/11 resulted in a deficit of £153,827, (2010 deficit: £281,111). 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 DOLGE covering any deficit and hence there is no annual movement on the reserve.

The deficiency requirement for the year is £35,323 (2010: £32,802).

### **Capital Expenditure and Borrowing**

Total capital expenditure in the year was £751,729 and was financed by IOM Bank Loans and overdraft facilities except for £3,357 which was funded from Revenue account. In addition accruals of £21,791 have been made in respect of retentions on capital housing schemes in the course of construction.

# Port St. Mary Village Commissioners

## Explanatory Foreword (continued)

### **General Rate Fund and Refuse Rate Fund**

The general rate income due and collected by the Authority is shown in the General Rate Fund. Rates were levied at 297p (2010:288p) in the £ on a rateable value of £136,632 (2010:£135,905) during the year.

Total rates arrears were £22,974 (2010: £16,582) although £Nil (2010: £2,991) was received from Treasury post year end. Prior year rates were recovered totalling £7,680 (2010: £2,894).

### **Reserves**

The Authority's general revenue reserves have increased from £107,675 at 31 March 2010 to £113,783 at 31 March 2011.

### **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 Pension Scheme that is attributable to Port St Mary Village Commissioners.

This is the difference between future liabilities and assets, as valued at 31 March 2011, and amounts to £268,000 (2010:£520,000) a fall of £252,000 on the previous year. No current provision exists to meet this deficit, which will be addressed by future contributions to the Pension Fund.

The significant fall is due in part to positive asset returns and falling long term expectations. In addition the deficit has fallen further due to the pension increase change from RPI (Retail Price Index) to CPI (Consumer Price Index) which has resulted in a significant past service credit of £154,000.

# Port St. Mary Village Commissioners

## Statement of Accounting Policies

### **Basis of preparation**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings in 2008.

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

### **Tangible fixed assets**

#### **Recognition**

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

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

#### **Valuations**

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

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.

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

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

#### **Depreciation**

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

# Port St. Mary Village Commissioners

## Statement of Accounting Policies (continued)

### **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.

### **Housing Deficiency**

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

### **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.

# Port St. Mary Village Commissioners

## Statement of Accounting Policies (continued)

### **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 Local Government Pension 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 2010/11 contributions being based on the results of the review as at 31 March 2010. 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.

### **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.

**Usable 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 Pension Scheme.

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



# **Port St. Mary Village Commissioners**

## Statement of Accounting Policies (continued)

### **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 has:

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

The Responsible Financial Officer has also:

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

We certify that the accounts set out on pages 13 to 32 of this Statement present fairly the financial position of the Authority at 31 March 2011 and its income and expenditure for the year ending on that date.

# Port St. Mary Village Commissioners

## Statement of Internal Control

### Introduction

Regulation 8 of the Accounts and Audit Regulations 2007 requires the Authority to conduct a review at least once a year of the effectiveness of its systems of internal control and include a statement on internal control within the Authority's statement of accounts.

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

### Responsibilities of the Board and the Responsible Financial Officer

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

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

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

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

### Internal control and corporate governance environment

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

- **Authority's corporate governance framework**

A corporate governance framework has been developed which documents the Authority's policies and procedures in relation to community focus, performance management, internal control, risk management, delegated authority, human resources management, standards of conduct and management of Health & Safety and the environment. The framework provides a structure for documenting the legislation, regulations, policies, procedures and other internal controls which, when taken together, form the Authority's internal control and corporate governance environment.

- **Board meetings**

The Board meets monthly and consists of a Chairman and 8 other Board members. The Board receive reports from the Authority's Officers on operational matters and ensure that the work of the Responsible Financial Officer and other senior officers supports the strategy and policy approved by the Board.

# Port St. Mary Village Commissioners

## Statement of Internal Control (continued)

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

### **Review of internal control and corporate governance environment**

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

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

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

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

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

### **Report on internal control and corporate governance environment**

Attention is drawn to the fact that systems of internal control and corporate governance are designed to manage rather than eliminate the risk of failure to achieve objectives. They can therefore only provide reasonable and not absolute assurance. Accordingly, reasonable assurance is given that, except for the matters listed below, the Authority's internal control and corporate governance arrangements are adequate and operate effectively during the period ended 31 March 2011.

The following improvements have been identified to address internal control weaknesses:

- A review of the risk factors in the area of health and safety
- Making use of the SAGE accounting system to produce management accounts
- Consider the implementation of a computerised housing rents system (since implemented)

(Signed) \_\_\_\_\_

*CAGJ Kirley*

(Chairman)

(Dated) \_\_\_\_\_

*24/02/12*

# 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 2011 which comprise the income and expenditure account, statement of the movement on the general fund balance, housing revenue income and expenditure account, statement of the 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 and the statement of accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Statement of Recommended Practice as directed by the Isle of Man Treasury as relevant to local authorities ("SORP").

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 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 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 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 of the financial statements**

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

### **Basis for qualified opinion on financial statements**

Included within land and property additions are operational assets which are reported at cost of £748,372, not at the lower of net current replacement cost or net realisable value in existing use as required by section 3.97 of the Statement of Recommended Practice 2007: Accounting for entities subject to the Audit Act 2006 ("the SORP"). The SORP requires that assets carried at cost during construction and are ready for operational use may need to be valued in accordance with the basis relevant to that particular class of assets if there is evidence that historical cost is not a reliable figure for the value added by the authority. The authority has not obtained an appropriate valuation for these assets that have become operational.

# Port St. Mary Village Commissioners

## Qualified opinion on financial statements

In our opinion, except for the effects of the matter described in the basis for qualified audit opinion paragraph, the financial statements:

- give a true and fair view of the state of the authority's affairs as at 31 March 2011 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 2007 made under the Audit Act 2006.

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

Except for the effect on the financial statements of the matter referred to in the basis for qualified opinion paragraph, we have nothing to report in respect of the following matters where section 4 of the Audit Act 2006 requires us to report to you, 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 or any other transaction effected by or on account of the authority is or will be contrary to law; or
- the internal organisation of the authority and the 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.

*PKF (Isle of Man) LLC*

**PKF (Isle of Man) LLC**

Douglas, Isle of Man

[Date] 22/02/12.

# Port St. Mary Village Commissioners

## Income and Expenditure Account

For the year ended 31 March 2011

<b>Statement of net expenditure</b>	<i>Notes</i>	<b>2011</b>		<b>2010</b>	
		£	£	£	£
<i>Income Generated from:</i>					
Administration and general expenses		29,542		2,596	
Property		36,835		36,472	
Refuse Collection		24,554		25,536	
Sewers		6,554		27,859	
Golf links		16,250		26,278	
Public amenities		3,250		-	
		<u>116,985</u>		<u>118,741</u>	
<i>Less expenditure generated by:</i>					
Administration and general purposes		162,470		160,459	
Direct labour – central costs		60,719		41,243	
Property		42,196		53,813	
Refuse Collection		107,558		95,603	
Sewers		4,840		24,465	
Public works		21,072		23,023	
Street cleaning and car parks		24,959		15,474	
Public conveniences		5,846		9,278	
Golf links		6,429		27,778	
Maintenance of public areas		31,875		32,643	
Public amenities		30,111		35,368	
Guides and general advertising		2,349		4,924	
Bad debt provision		12,160		-	
		<u>(512,584)</u>		<u>(524,071)</u>	
Current Service cost of Pensions - surplus	27	1,000		19,800	
Past service gain	27	154,000		-	
		<u>(240,599)</u>		<u>(385,530)</u>	
<b>Net cost of General Revenue Fund services</b>					
Housing Services – income		466,853		409,520	
Less: Gross Expenditure		(443,557)		(517,871)	
		<u>23,296</u>		<u>(108,351)</u>	
<b>Net cost of services</b>					
		<u>(217,303)</u>		<u>(493,881)</u>	
Gain on disposal of fixed assets		-		2,451	
Interest payable and similar charges		(177,123)		(147,173)	
Interest receivable		991		603	
Pensions interest cost and return on assets	27	(12,000)		(17,000)	
		<u>(405,435)</u>		<u>(655,000)</u>	
<b>Net operating expenditure</b>					
<b>Sources of finance</b>					
General rates		387,741		375,942	
Less: Collection charges		(4,423)		(4,323)	
<b>Income from General rates</b>		<u>383,318</u>		<u>371,619</u>	
<b>Net deficit for the year</b>		<u><u>(22,117)</u></u>		<u><u>(283,381)</u></u>	

The notes on pages 22 to 32 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 2011

	2011 £	2010 £
<b>Deficit for the year on the income and expenditure account</b>	<b>(22,117)</b>	<b>(283,381)</b>
<b>Amounts included in the Income and Expenditure account but 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	<b>11,000</b>	(2,800)
Past service gain	<b>(154,000)</b>	-
Depreciation charge for the year	<b>21,132</b>	28,661
<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 to Housing Maintenance Account	<b>(377)</b>	-
Transfer to Housing Revenue Account	<b>153,827</b>	281,111
Transfer to Capital Adjustment Account – service cost of general revenue funded fixed assets	<b>(3,357)</b>	(15,428)
	<b>6,108</b>	8,163
<b>General Fund Balance brought forward</b>	<b>107,675</b>	99,512
<b>General Fund Balance carried forward</b>	<b>113,783</b>	107,675

The notes on pages 22 to 32 form part of these financial statements.



# Port St. Mary Village Commissioners

## Housing Revenue Income and Expenditure Account for the year ended 31 March 2011

	<i>Notes</i>	<b>2011</b>	<b>2010</b>
	£	£	£
<b>Income</b>			
Dwelling rents	431,530	376,718	
Contributions towards expenditure including Housing Deficiency Payments	35,323	32,802	
<b>Total income</b>		<b>466,853</b>	<b>409,520</b>
<b>Expenditure</b>			
Repairs and maintenance	43,757	182,885	
Housing repairs – wages	13,558	23,776	
Administration allowance	27,592	25,714	
Depreciation charge for the year	274,488	229,673	
Rent, rates, taxes and other charges	70,247	67,004	
Insurance costs	13,915	14,533	
		<b>(443,557)</b>	<b>(543,585)</b>
Net cost of HRA services		<b>23,296</b>	<b>(134,065)</b>
Interest payable and similar charges		<b>(177,123)</b>	<b>(147,173)</b>
Interest receivable		-	127
<b>Deficit for the year on the Housing revenue income and expenditure account</b>		<b>(153,827)</b>	<b>(281,111)</b>

The notes on pages 22 to 32 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 2011

	2011	2010
	£	£
<b>Deficit for the year on the HR income and expenditure account</b>	<b>(153,827)</b>	<b>(281,111)</b>
<b>Amounts included in the Housing Revenue Income and Expenditure account but to be excluded when determining the Movement on the Housing Revenue Account Balance</b>		
Depreciation charge for the year	274,488	229,673
Loan principal repayments	(69,271)	(55,357)
<b>Amounts not included in the Housing Revenue Income and Expenditure Account but to be included when determining the Movement on the Housing Revenue Account Balance for the year</b>		
Revenue contribution to capital assets	(8,668)	-
<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 to housing maintenance account	(42,722)	106,795
	-----	-----
	-	-
	=====	=====
Housing Revenue Account Balance brought forward	-	-
<b>Housing Revenue Account Balance carried forward</b>	<b>-</b>	<b>-</b>
	=====	=====

The notes on pages 22 to 32 form part of these financial statements.

# Port St. Mary Village Commissioners

## Statement of Total Recognised Gains and Losses

for the year ended 31 March 2011

	2011	2010
	£	£
<b>Deficit on the income and expenditure account for the year</b>	<b>(22,117)</b>	<b>(283,381)</b>
Actuarial losses on Pension Fund Assets and Liabilities	27 <b>109,000</b>	<b>(325,000)</b>
Capital costs from housing maintenance reserve	<b>(8,668)</b>	
Any other gains and losses required to be included in the statement of total recognised gains and losses	-	<b>(5,835)</b>
<b>Total recognised gains and losses for the year</b>	<b><u>78,215</u></b>	<b><u>(614,216)</u></b>

The notes on pages 22 to 32 form part of these financial statements.

# Port St. Mary Village Commissioners

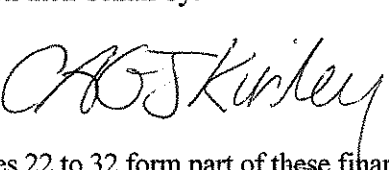
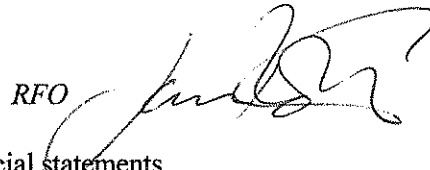
## Balance Sheet

As at 31 March 2011

	<i>Notes</i>	2011	2010
		£	£
<b>Fixed assets</b>			
Tangible fixed assets	<i>1, 2</i>	<b>19,204,893</b>	18,748,785
<b>Current assets</b>			
Debtors	<i>5</i>	<b>98,632</b>	124,332
Cash at bank	<i>6</i>	<b>724,930</b>	653,517
		<u>823,562</u>	<u>777,849</u>
<b>Current liabilities</b>			
Creditors – amounts falling due within one year	<i>7</i>	<b>(100,155)</b>	(70,634)
Bank loans	<i>11</i>	<b>(73,147)</b>	(69,271)
Finance leases		-	(7,235)
Bank overdrafts	<i>11</i>	<b>(3,337,820)</b>	(2,615,228)
		<u>(3,511,122)</u>	<u>(2,762,368)</u>
<b>Long term liabilities</b>			
Bank loans	<i>11</i>	<b>(2,887,649)</b>	(2,960,797)
Net defined benefit pension liability	<i>27</i>	<b>(268,000)</b>	(520,000)
		<u>(3,155,649)</u>	<u>(3,480,797)</u>
<b>Total assets less liabilities</b>		<b><u>13,361,684</u></b>	<b><u>13,283,469</u></b>
<b>Financed by:</b>			
General Revenue Account	<i>9</i>	<b>113,783</b>	107,675
Housing Maintenance Account	<i>9</i>	<b>217,572</b>	174,474
Usable Capital receipts	<i>9</i>	<b>205,411</b>	205,411
Capital adjustment account	<i>9</i>	<b>784,528</b>	851,761
Pension reserve	<i>27</i>	<b>(268,000)</b>	(520,000)
Revaluation reserve	<i>9</i>	<b>12,308,390</b>	12,464,148
		<u>13,361,684</u>	<u>13,283,469</u>

The financial statements were approved and authorised for issue by the Authority on 21/02/12, and were signed on their behalf by:

Chairman

 RFO 

The notes on pages 22 to 32 form part of these financial statements

# Port St. Mary Village Commissioners

## Cash Flow Statement

for the year ended 31 March 2011

<b>Revenue activities</b>	<b>2011</b>	<b>2010</b>
£	£	£
<b>Cash outflows</b>		
Cash paid to and on behalf of employees	(283,771)	(255,596)
Other operating cash payments	(251,024)	(242,999)
Housing maintenance cash payments	(36,567)	(221,194)
	<u>(571,362)</u>	<u>(719,789)</u>
<b>Cash inflows</b>		
Rents	66,338	66,818
Rents (after rebates) – housing stock	431,208	304,978
Rate receipts	382,707	371,144
Cash received for goods and services	23,469	58,893
	<u>903,722</u>	<u>801,833</u>
<b>Net cash inflow from revenue activities</b>	<b>332,360</b>	<b>82,044</b>
<b>Returns on Investments and servicing of finance</b>		
<b>Cash outflows</b>		
Interest paid	(177,532)	(141,908)
Interest element of finance lease rentals	(553)	(1,066)
	<u>(178,085)</u>	<u>(142,974)</u>
<b>Cash inflows</b>		
Interest received – revenue	615	486
Interest received – housing	376	127
	<u>991</u>	<u>613</u>
<b>Capital activities</b>		
<b>Cash outflows</b>		
Purchase of fixed assets	(729,938)	(1,419,806)
	<u>(729,938)</u>	<u>(1,419,806)</u>
<b>Cash inflows</b>		
Sale of fixed assets	-	2,000
	<u>-</u>	<u>2,000</u>
<b>Net cash outflow before financing</b>	<b>(574,672)</b>	<b>(1,478,123)</b>
<b>Management of liquid resources</b>		
(Increase) in short term deposits	(105,975)	-
<b>Financing</b>		
<b>Cash outflows</b>		
Repayments of amounts borrowed	(69,272)	(55,357)
Capital element of finance lease rental payments	(7,235)	(6,722)
	<u>(76,507)</u>	<u>(62,079)</u>
<b>Cash inflows</b>		
Bank overdraft increase	722,592	
Bank loans taken out in year	-	1,165,348
	<u>722,592</u>	<u>1,165,348</u>
<b>Net decrease in cash</b>	<b>(34,562)</b>	<b>(374,854)</b>

# Port St. Mary Village Commissioners

## Notes to the Cash Flow Statement for the year ended 31 March 2011

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

	2011 £	2010 £
Net deficit for the year on general fund income and expenditure account	(22,117)	(283,381)
Depreciation	295,621	258,333
Profit of disposals of fixed assets	-	(2,451)
Adjust for appropriations to reserves	(8,668)	(78,225)
Adjust for appropriations to pension reserves	(143,000)	(2,800)
Interest paid & interest element of finance lease rentals	178,085	142,974
Interest received	(991)	(613)
Increase in debtors	25,700	38,733
Increase in creditors	7,730	9,474
	<hr/>	<hr/>
Net cash inflow from revenue activities	332,360	82,044

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

	2011 £	2010 £
Net debt at 1 April	(4,999,014)	(3,520,890)
Movement in net debt:		
Short term deposit	105,975	-
(Decrease) in cash in the period	(34,562)	(374,854)
Outflow from increase in debt financing	(646,085)	(1,103,270)
	<hr/>	<hr/>
Net debt at 31 March	(5,573,686)	(4,999,014)

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

	Balance at 31 March 2010 £	Cash movement £	Balance at 31 March 2011 £
Cash at bank	74,964	(34,562)	40,402
Cash overdrawn	(2,615,228)	(722,592)	(3,337,820)
	<hr/>	<hr/>	<hr/>
	(2,540,264)	(757,154)	(3,297,418)
Short term investments	578,553	105,975	684,528
Net debt:			
Due within one year	(69,271)	(3,876)	(73,147)
Due after one year	(2,960,797)	73,148	(2,887,649)
Finance leases	(7,235)	7,235	-
	<hr/>	<hr/>	<hr/>
Total net debt	(4,999,014)	(574,672)	(5,573,686)

# Port St. Mary Village Commissioners

## General Rate Fund

as at 31 March 2011

	<i>Notes</i>	2011	2010
	£	£	£
Total rates levied for the year		405,756	391,816
<i>Add:</i>			
Due from Treasury re prior year	2,991		6,193
Arrears brought forward	16,582		13,065
		<u>19,573</u>	<u>19,258</u>
<i>Less:</i>		425,329	411,074
Discounts	(15,538)		(13,535)
Exempt and unoccupied properties	(5,736)		(2,429)
Refunds	-		(70)
Adjustment in respect of prior year	3,258		-
Collection charge	(4,423)		-
		<u>(22,439)</u>	<u>(16,034)</u>
<b>Total rates collectable</b>		<u><u>402,890</u></u>	<u><u>395,040</u></u>
Rates received in the year:			
Current year rates	372,037		366,381
Arrears collected	7,680		2,894
Balance from Treasury re previous year	2,991		6,193
		<u>382,708</u>	<u>375,468</u>
<b>Balances outstanding carried forward:</b>			
Due (to)/from Treasury re current year	(2,792)		2,991
Arrears - current year	10,814		6,409
- previous years	12,160		10,172
		<u>20,182</u>	<u>19,572</u>
		<u><u>402,890</u></u>	<u><u>395,040</u></u>

The notes on pages 22 to 32 form part of these financial statements.

# Port St. Mary Village Commissioners

## Notes

(forming part of the financial statements for the year ended 31 March 2011)

### 1. Tangible fixed assets

	Land and Property £	Street Lighting £	Motor Vehicles Plant and Equipment £	Total £
<b>Cost/Value</b>				
At 1 April 2010	19,096,285	107,483	137,222	19,340,990
Additions in the year	748,372	-	3,357	751,729
Disposals in the year	-	-	-	-
Revaluations	-	-	-	-
<b>At 31 March 2011</b>	<b>19,844,657</b>	<b>107,483</b>	<b>140,579</b>	<b>20,092,719</b>
<b>Depreciation</b>				
As at 1 April 2010	398,658	82,646	110,901	592,205
Charge for the year	279,789	2,349	13,483	295,621
<b>At 31 March 2011</b>	<b>678,447</b>	<b>84,995</b>	<b>124,384</b>	<b>887,826</b>
<b>Net book value</b>				
<b>At 31 March 2011</b>	<b>19,166,210</b>	<b>22,488</b>	<b>16,195</b>	<b>19,204,893</b>
At 31 March 2010	18,697,627	24,837	26,321	18,748,785

### Valuation of land & property

The Authority plans to revalue its land and property every five years. Valuations were carried out by Chrystals Commercial during the year ended 31 March 2009. The basis for valuation is set out in the statement of accounting policies. Assets are further classified as :

	Investment property £	Community assets £	Dwellings £	Other land and buildings £	Total £
Net current replacement cost	<b>676,000</b>	<b>14,566</b>	<b>16,908,791</b>	<b>2,245,300</b>	<b>19,844,657</b>

As at 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.

The figures above also include fixed asset additions, at cost, since the last valuation.



# Port St. Mary Village Commissioners

## Notes (continued)

*(forming part of the financial statements for the year ended 31 March 2011)*

### 1. Tangible fixed assets - continued

#### Depreciation methodologies

Depreciation is provided on all assets with a finite useful life, other than freehold land and assets under the course of construction. 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

Other land and Buildings – 20 to 30 years

Motor vehicles and equipment – 3 to 10 years

Street lighting – 15 years

The use of these depreciation methodologies means that the Authority is not required to carry out a detailed impairment review.

### 2. Assets held

<b>Operational assets</b>	<b>Number at 31 March 2010</b>	<b>Changes 2010/11</b>	<b>Number at 31 March 2011</b>
<b>Dwellings</b>			
Dwellings – Houses and bungalows	104	6	<b>110</b>
Dwellings – flats	12	-	<b>12</b>
Under construction - Dwellings	6	(6)	<b>0</b>
<b>Other Land and Buildings</b>			
Car parks	4	-	<b>4</b>
Depots	1	-	<b>1</b>
Public Conveniences	2	-	<b>2</b>
Public Halls / offices	1	-	<b>1</b>
<b>Community Assets</b>			
Golf course / recreational areas	1	-	<b>1</b>
Parks, gardens and open spaces	7	-	<b>7</b>
<b>Non-Operational assets</b>			
Commercial properties	2	-	<b>2</b>
Other properties	3	-	<b>3</b>
Agricultural land	1	-	<b>1</b>
Garages (general fund)	16	-	<b>16</b>

# Port St. Mary Village Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2011)

## 3. Capital expenditure and financing

	2010/11	2009/10
	£	£
<b>Capital investment</b>		
Operational assets	<u>751,729</u>	<u>1,427,916</u>
<b>Sources of finance</b>		
Isle of Man Bank Loans and overdrafts	726,581	1,418,309
Contribution from general fund	3,357	9,607
Accruals	<u>21,791</u>	<u>-</u>
	<u>751,729</u>	<u>1,427,916</u>

## 4. Capital commitments

The estimated commitments for capital expenditure that had started, or legal contracts entered into, by 31 March 2011 are listed below:

	31 March 2011	31 March 2010
	£	£
Housing	<u>326,412</u>	<u>1,052,449</u>

## 5. Debtors

	2011	2010
	£	£
Amounts falling due in one year:		
Government departments	71,999	56,196
Ratepayers (note 8)	10,814	16,582
Housing rents	6,509	3,473
Sundry debtors	8,074	14,617
Value Added Tax	<u>1,236</u>	<u>33,464</u>
	<u>98,632</u>	<u>124,332</u>

# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2011)

### 6. Cash

The cash in hand figure at 31 March 2011 was £724,930 (2010: £653,517). 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.

### 7. Creditors

	2011 £	2010 £
Housing rents	11,167	8,512
Sundry creditors and accruals	86,196	62,122
Government departments	2,792	-
	<u>100,155</u>	<u>70,634</u>

### 8. Provisions

The Authority has provided against £12,160 of rates income that is over one year old.

### 9. Capital reserves and accounts

	Pensions Reserve £	Usable capital receipts £	Revaluation reserve £	Capital adjustment account £
Balance at 1 April 2010	(520,000)	205,411	12,464,148	851,761
Net surplus/(deficit) for year	(11,000)	-	(155,758)	(67,233)
Actuarial gains	109,000	-	-	-
Past service gains	154,000	-	-	-
Balance at 31 March 2011	<u>(268,000)</u>	<u>205,411</u>	<u>12,308,390</u>	<u>784,528</u>

### Revenue reserves

	Housing maintenance Account £	General revenue account £	Total £
Balance at 1 April 2010	174,474	107,675	282,149
Net surplus for year	376	6,108	6,484
Transfer (to)/from other reserves	42,722	-	42,722
Balance at 31 March 2011	<u>217,572</u>	<u>113,783</u>	<u>331,355</u>

# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2011)

### 10. Analysis of net assets employed

	2011	2010
	£	£
General revenue account	3,092,513	3,152,448
Housing revenue account	10,269,171	10,131,021
	<u>13,361,684</u>	<u>13,283,469</u>

### 11. Borrowings

Loans outstanding, and not due to mature for more than one year, are the amounts borrowed from external lenders at the balance sheet date. They may be analysed as follows:

	2011	2010
	£	£
Analysis of loans by type:		
Bank Overdraft	3,337,820	2,615,228
Isle of Man Bank Loans	2,960,796	3,030,068
	<u>6,298,616</u>	<u>5,645,296</u>
Analysis of loans by maturity:		
Less than 1 year	3,410,967	2,684,499
Between 1 and 2 years	76,727	73,149
Between 2 and 5 years	254,722	242,750
Between 5 and 10 years	519,653	493,955
More than 10 years	2,036,547	2,150,943
Total outstanding	<u>6,298,616</u>	<u>5,645,296</u>

In recent years the authority has taken out IOM Bank Loan finance to fund long term capital projects. Each of these loans are unsecured, repayable in instalments over a period of between 10 and 30 years and are fixed term loans. The interest charged on these loans varies between 4.70% and 5.35%.

Any monies borrowed on temporary overdraft facilities now incur interest at 1% above base rate.

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

### 12. Contingent assets and liabilities

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

### 13. 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.

# Port St. Mary Village Commissioners

## Notes (continued)

*(forming part of the financial statements for the year ended 31 March 2011)*

### 14. Members' allowances

During 2010/11 the Authority paid £3,720 (2010:£2,820) to its Members in respect of their attendance at meetings, undertaking duties and responsibilities.

### 15. Employees' remuneration

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

### 16. 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.

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.

### 17. Audit fees

During 2010/11 the Authority incurred the following fees relating to external audit and inspection:

	2010/11	2009/10
	£	£
Fees payable with regard to external audit services carried out by the appointed auditor	8,258	6,000
Fees payable with regard to accountancy services carried out by the appointed auditor	-	4,987

### 18. Total rateable value

The total rateable value of the Village at 31 March 2011 is £136,632 (2010: £135,905,) at the year end with a 297p rate being charged (2010: 288p).

# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2011)

### 19. Statement of Movement on the General Fund Balance

The Income and Expenditure account shows the Authority's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months. However, the authority raises rates on a different accounting basis, the main differences being:

- Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.
- Retirement benefits are charged as the amounts become payable to pension funds and pensioners, rather than as future benefits earned.

The General Fund Balance compares the Authority's spending against the rateable income that it raised for the year, taking into account the use of reserves built up in the past and contributions to funds and reserves. This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance

### 20. Housing fixed assets

	Operational assets
	Dwellings £
<b>Gross valuation</b>	
At 31 March 2010	15,601,843
Additions in the year	748,372
Disposals in the year	-
	<hr/>
<b>At 31 March 2011</b>	<b>16,350,215</b>
	<hr/> <hr/>

Depreciation in respect of housing stock has been charged against the revaluation reserve of £155,758 for the year (2010: £155,758). The remaining depreciation is charged to the capital adjustment account.

### 21. HRA capital expenditure

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

	2010/11 £	2009/10 £
Borrowing	<b>726,581</b>	1,405,809
	<hr/>	<hr/>

### 22. Housing Maintenance Account

	2010/11 £	2009/10 £
Balance at 1 April 2010	174,474	281,269
Movement in year	<b>43,098</b>	(106,795)
	<hr/>	<hr/>
Balance at 31 March 2011	<b>217,572</b>	174,474
	<hr/> <hr/>	<hr/> <hr/>

# Port St. Mary Village Commissioners

## Notes (continued)

*(forming part of the financial statements for the year ended 31 March 2011)*

### 23. Gross rent income

Gross rent income is the total rent due for the year after voids, write-offs, refunds etc. Voids of £1,863 represent 0.25% of the rental debit for the year, compared to 0.65% in 2008/09.

### 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:

	2010/11	2009/10
	£	£
Deficiency receivable at year end re 2010/11	35,323	-
Deficiency receivable at year end re 2009/10	32,802	57,173
Deficiency repayable at year end re 2008/09	-	(39,300)
	<u>68,125</u>	<u>17,873</u>

During the year £Nil (2010: £194,337) was received in respect of housing deficiency.

### 25. Housing stock

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

	2010/11	2009/10
	No's	No's
Houses and bungalows	110	104
Flats and maisonettes	12	12
Property under construction	0	6
	<u>122</u>	<u>122</u>

There were no changes to the housing stock in the year ended 31 March 2011, other than the transfers from properties under construction to houses and bungalows.

### 26. Rent arrears

	2010/11	2009/10
	£	£
Rent arrears	6,509	3,473
Rent arrears as a percentage of gross rent income	<u>1.5%</u>	<u>1%</u>

Arrears written off during the year amounted to £Nil (£Nil in 2009/10).

# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2011)

### 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 Local Government Pension Scheme administered by Douglas Borough Council in accordance with the Isle of Man Local Government Superannuation Scheme Regulations 2003. 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 £40,000, (2010: £47,000) 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 2011 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 2011 % per annum	31 March 2010 % per annum
Rate of increase in salaries	5.1%	5.3%
Rate of increase in pensions	2.8%	3.8%
Rate for discounting scheme liabilities	5.5%	5.5%
Rate of expected return on assets	6.7%	6.9%

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 31st March 2010.

The actuary used this valuation as the basis for the Pension 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 fair value of the assets and liabilities held by the Authority within the Scheme are as follows:

	31 March 2011 £	31 March 2010 £
Estimated employer assets	782,000	747,000
Present value of scheme liabilities	(1,050,000)	(1,267,000)
Net pensions liability	<u>(268,000)</u>	<u>(520,000)</u>



# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2011)

### 27. Pensions (continued)

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

	31 March 2011	31 March 2010
	£	£
Equities	524,000	486,000
Bonds	172,000	194,000
Property	63,000	60,000
Cash	23,000	7,000
	<u>782,000</u>	<u>747,000</u>
Estimated employer assets	<u>782,000</u>	<u>747,000</u>

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

	2010/11	2009/10
	£	£
<b>Net cost of service</b>		
Past service gain	154,000	-
	<u>154,000</u>	<u>-</u>
Current service cost	39,000	27,000
Employer contribution payable to the Scheme	(40,000)	(47,000)
	<u>(1,000)</u>	<u>(20,000)</u>
<b>Net operating expenditure</b>		
Interest cost	64,000	50,000
Expected return on employer assets	(52,000)	(33,000)
	<u>12,000</u>	<u>17,000</u>

The net deficit on the scheme has reduced from £520,000 to £268,000. An analysis of the movement during the year is shown below:

	2010/11	2009/10
	£	£
<b>Net pension liability at the beginning of the year</b>	(520,000)	(198,000)
Current service cost	(39,000)	(27,000)
Employer contributions	40,000	47,000
Expected return on employer assets	52,000	33,000
Actuarial losses	109,000	(325,000)
Past service gains	154,000	-
Interest cost	(64,000)	(50,000)
	<u>(268,000)</u>	<u>(520,000)</u>
<b>Net pension liability at the end of the year</b>	<u>(268,000)</u>	<u>(520,000)</u>

# Port St. Mary Village Commissioners

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2011)

### 27. Pensions (continued)

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

Breakdown of the expected return on assets by category	2010/11 £	2009/10 £
Equities	7.5%	7.8%
Bonds	4.9%	5.0%
Property	5.5%	5.8%
Cash	4.6%	4.8%

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:

	2010/11 £	Actuarial gain/loss as % of assets/ liabilities	2009/10 £	Actuarial gain/loss as % of assets/ liabilities
Value of assets at end of year	782,000	-	747,000	-
Total present value of liabilities	(1,050,000)	-	(1,267,000)	-
Difference between the actual and expected return on assets	4,000	0.51%	151,000	20.2%
Actuarial (losses)/gains recognised in the statement	109,000	10.38%	(325,000)	25.6%

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

The net liability represents the difference between the value of the Authority's share of assets in the Scheme and the value of the future pension payments to which it was committed at that date. These pension liabilities will be paid out over a period of many years, during which time the assets will continue to generate returns towards funding them. Any significant changes in the global equity markets after 1 April 2011 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.

### 28. Prior year amendment

It was noted that the Housing Administration Allowance in the prior year was posted directly to reserves rather than to the "Administration and general expenses" category in the Income and Expenditure account. The comparative figures have not been restated as this is not considered a fundamental error. There would be no change to the result for the year, reserves or net assets of the authority, if such an adjustment was processed.

# Port St. Mary Village Commissioners

## Detailed Income and Expenditure Account for the year ended 31 March 2011

	£	2011 £	£	2010 £
Salaries, office wages, NIC etc	120,069		126,747	
Manual wages	948		744	
Audit fees	8,258		6,028	
Accountancy and professional	8,532		4,987	
Legal and consultancy	3,881		-	
Printing and stationery	2,800		3,148	
Photocopying	677		1,336	
Incidentals	705		491	
Election expenses	1,094		2,784	
Bank charges	891		882	
Travel expenses	699		227	
Attendance allowance	3,720		2,820	
Computer charges	1,239		4,098	
Postage and cleaning	2,043		3,419	
Telephone	2,287		2,014	
Staff training	2,313		192	
Advertising	1,445		542	
Civic events	869		-	
	<u>          </u>	<b>162,470</b>	<u>          </u>	160,459
 <i>Less receipts</i>				
Housing administration fee	27,592		-	
Search fees	1,950		2,400	
Incidentals	-		196	
	<u>          </u>	<b>(29,542)</b>	<u>          </u>	<b>(2,596)</b>
		<u><b>132,928</b></u>		<u><b>157,863</b></u>
 <b>Direct labour – Central costs</b>				
Manual workers – holiday		<b>19,001</b>		20,655
Manual workers – sick pay		<b>17,809</b>		6,291
Manual supervising wages		<b>293</b>		28
Manual workers union pay		-		(5)
Vehicle costs and fuel		<b>20,261</b>		13,564
Vehicles – wages		<b>2,132</b>		710
Miscellaneous		<b>1,223</b>		-
		<u><b>60,719</b></u>		<u><b>41,243</b></u>

This page does not form part of the audited financial statements

# Port St. Mary Village Commissioners

## Detailed Income and Expenditure Account (continued) for the year ended 31 March 2011

	£	2011 £	£	2010 £
<b>Property</b>				
Depreciation	5,300		13,233	
Insurance	10,711		9,491	
Maintenance	82		3,086	
Town Hall costs (maintenance, heat, light, & rates)	12,512		19,848	
Town Hall maintenance wages	1,372		2,705	
Store	3,539		3,629	
Store – wages	8,680		1,821	
		<u>42,196</u>		53,813
<i>Less receipts</i>				
Lettings	18,416		19,669	
Rent – garages	15,433		13,656	
Rent – other	2,986	(36,835)	3,147	(36,472)
		<u>5,361</u>		<u>17,341</u>
<b>Refuse disposal</b>				
Wages	38,145		43,666	
Refuse expenses	25,670		13,378	
Vehicle Expenses	17,072		14,669	
Refuse bins	5,178		1,257	
Amenity site costs	21,166		22,239	
Refuse sacks	327		394	
		<u>107,558</u>		95,603
<i>Less receipts:</i>				
Collection of refuse	8,934		9,916	
Amenity site lease rental	15,620		15,620	
		<u>(24,554)</u>		<u>(25,536)</u>
		<u>83,004</u>		<u>70,067</u>
<b>Sewers (Drainage agency)</b>				
Wages	1,565		9,367	
Sewer maintenance	1,566		13,833	
Machinery	1,709		1,265	
		<u>4,840</u>		24,465
<i>Less receipts:</i>				
Government sewerage deficiency	6,554		25,729	
Sewer connection charges	–		2,130	
		<u>(6,554)</u>		<u>(27,859)</u>
		<u>(1,714)</u>		<u>(3,394)</u>

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# Port St. Mary Village Commissioners

## Detailed Income and Expenditure Account (continued) for the year ended 31 March 2011

	£	2011 £	2010 £	£
<b>Public Works</b>				
Street lighting (inc. depreciation)		18,733		20,467
Public lighting – decorative		-		217
Loan charges		2,339		2,339
		<u>21,072</u>		<u>23,023</u>
<b>Street cleaning and car parks</b>				
Street cleaning – and maintenance of footpaths		6,766		6,699
Wages – street cleaning		17,945		6,288
Car parks		248		2,487
		<u>24,959</u>		<u>15,474</u>
<b>Public conveniences</b>				
Wages		2,693		3,055
General expenses		3,153		6,223
		<u>5,846</u>		<u>9,278</u>
<b>Parks and Leisure</b>				
<i>Golf links</i>				
Machinery	-		1,572	
Attendants' commission	-		268	
Wages	3,199		13,838	
Maintenance	1,168		7,902	
Misc. inc rates & insurance	1,010		1,912	
Irrigation	-		1,812	
Tennis courts	1,052		474	
		<u>6,429</u>		<u>27,778</u>
<b>Less receipts</b>				
Fees – golf	1,250		11,149	
Rents	15,000		15,000	
Croquet	-		129	
		<u>(16,250)</u>		<u>(26,278)</u>
		<u>(9,821)</u>		<u>1,500</u>
<b>Maintenance of public areas</b>				
Gardening & bedding plants & dog-litter warden		18,948		12,740
Grass cutting – labour and machinery		12,927		19,903
		<u>31,875</u>		<u>32,643</u>

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# Port St. Mary Village Commissioners

## Detailed Income and Expenditure Account (continued)

for the year ended 31 March 2011

	2011 £	2010 £
<b>Public Amenities</b>		
Annual contribution to Southern Local Authority		
Swimming Pool	3,418	3,398
Outdoor seating	3,606	18
Outdoor seating – wages	14,312	1,193
Playground equipment	743	11,894
Playground – wages	2,768	1,898
Christmas tree	916	441
Christmas tree – wages	791	522
Signage	657	846
Signage – wages	410	566
Chapel Beach – cleaning & bathing raft	1,637	2,519
Chapel Beach – wages	153	527
Mariners shelter	-	2,010
Miscellaneous	669	1,384
Allotments – Ballagawne	31	8,152
	<u>30,111</u>	<u>35,368</u>
Less receipts		
Memorial seats subscriptions	3,250	-
	<u>26,861</u>	<u>35,368</u>
<b>Guides and general advertising</b>		
Plaques and flags	90	365
Flags – wages	1,859	1,751
Miscellaneous	-	2,612
Wages	400	196
	<u>2,349</u>	<u>4,924</u>
Bad Debt provision	<u>12,160</u>	<u>-</u>

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