

# **Cooil Roi Housing Authority**

## **Statement of Accounts**

**For the period ended 30 April 2016**

# Cooil Roi Housing Authority

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# Cooil Roi Housing Authority

## Explanatory Foreword

### **Introduction**

This Statement provides a summary of the Authority's financial performance for its final period ended 30 April 2016. The period has been extended to cover the 13 months to 30 April 2016 as with effect from 1 May 2016, the authorities of Laxey Village, Lonan Parish and Maughold Parish and Cooil Roi Housing Authority will merge to create one local authority known as Garff Parish District Commissioners. The assets and liabilities of the Authority at 30 April 2016 transfer to the new district at book value under the provisions of the Garff order.

This Statement 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 **Housing Revenue Income and Expenditure Account** reports the net cost for the period of all functions for which the Authority is responsible and how those costs are financed from housing rental income received and from deficiency payments in the form of government grants.

The **Statement of the Movement on the General Fund Balance** shows the surplus or deficit on the Housing Revenue 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 period. This is the basis on which the Authority makes a deficiency claim each period.

The **Statement of Total Recognised Gains and Losses** shows all gains and losses recognised by the Authority during the period which are not reflected in operating performance within the Housing Revenue Income and Expenditure Account. This will include any gains or losses arising on the revaluation of fixed assets for the period 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 period.

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

# Cooil Roi Housing Authority

## Explanatory Foreword (continued)

This section provides a summary review of performance during the period and of key areas which impact the Authority's financial position. All comparative figures represent the position for the 12 month period to 31 March 2015.

### **Housing Revenue Income and Expenditure Account / Statement of the Movement on the General Fund Balance**

The Housing Revenue Income and Expenditure Account covers the day to day running costs of the Authority's services.

The result on the Statement of the Movement on the General Fund Balance is met from deficiency payments made by the Isle of Man Government Department of Health and Social Care.

For the period ended 30 April 2016, the deficiency requirement during the period amounted to £115,517 (2015: £100,704). This period covers 13 months as opposed to 12 months for the comparative figures.

### **Capital Expenditure**

During the period the Authority spent £57,129 (2015: £Nil) in relation to kitchen improvements.

### **Investments and Borrowing**

No further borrowing or investment was undertaken in the current or prior period.

### **Reserves**

The Authority's net assets have increased from £1,190,584 at 31 March 2015 to £1,211,534 as at 30 April 2016.

# Cooil Roi Housing Authority

## 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 and in accordance with the Isle of Man Statement of Recommended Practice 2007 on accounting for entities subject to the Audit Act 2006 ("the SORP") issued by Treasury. This SORP is recognised under the Audit Act 2006 and the Accounts and Audit Regulations 2013 as representing proper accounting practices.

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

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

Key principles of the SORP are set out below.

### **Tangible fixed assets**

#### **Recognition**

Expenditure on the acquisition, creation or enhancement of fixed assets has been capitalised on an accruals basis. Where such expenditure on furniture and equipment is less than a de minimis level of £100 it is not capitalised but is charged to revenue in the period in which it is incurred.

#### **Depreciation**

Depreciation should be provided on all assets with a finite useful life, other than freehold land and assets under the course of construction. Where depreciation is provided for, assets are depreciated by applying the straight line method to Balance Sheet values over periods reflecting their estimated useful lives.

#### **Valuation**

Asset valuations have been carried out in accordance with guidelines established by 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, plant and equipment, historic 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 historic costs rather than values for these items will not result in a material difference in the Accounts.

A formal valuation was performed as at 31 March 2013.

# Cool Roi Housing Authority

## 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 period. 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.

### **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 period in accordance with the housing deficiency scheme operated by the Department of Health and 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 period 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 period to which it relates, on a basis that reflects the overall effect of the loan or investment.
- Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Income and expenditure are credited and debited to the relevant account, unless they properly represent capital receipts or capital expenditure. These accruals are largely based on known commitments and can be assessed accurately. Where estimates are made, they are based on historical records, precedence and officers' knowledge and experience. In all cases the Authority adopts a prudent approach to avoid overstating its resources.

### **Value Added Tax**

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

### **Overheads**

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

# Cool Roi Housing Authority

## Statement of Accounting Policies (continued)

### Reserves

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

The **Usable Capital Receipts Account** reports the balance of previous capital receipts received but not expended to date.

The **Housing Maintenance Reserve Account** shows the accumulated surplus or deficit of funds held over and above the allowance receivable for repairs and maintenance costs together with any authorised spending from this reserve during the period.

The **Heating Surplus Reserve Account** reports the accumulated reserves arising from the net results for each period of heating income less heating costs.

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:** 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.

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

### Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Accounts. Material contingent assets are disclosed in notes to the Accounts if the inflow of a receipt or economic benefit is probable. Material contingent liabilities are disclosed in notes if there is a possible obligation which may require a payment or a transfer of economic benefits. The nature and estimated financial effect of each item are disclosed.

### 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.

### Going concern

As of 1 May 2016, the Authority was dissolved under the provisions of the Garff (Local Government District) Order 2015. On that date, the assets and liabilities of the Authority were transferred to the newly formed Garff Parish District Commissioners. Garff Parish District Commissioners assumed full responsibility for safeguarding of the assets and discharge of any liabilities as and when they become due. These financial statements have therefore been prepared on a basis other than that of a going concern, however no adjustments are considered necessary as a consequence of the terms of the Garff (Local Government District) Order 2015.

# Cooil Roi Housing Authority

## 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;
- approve the Statement of Accounts.

### **The Responsible Financial Officer's responsibilities**

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

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

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

The Responsible Financial Officer should also:

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

The Responsible Financial Officer should sign and date the Statement of Accounts, stating that they present fairly the financial position of the Authority at 30 April 2016 and its income and expenditure for the period ending on that date.



# Cooil Roi Housing Authority

## Statement of Internal Control

### Introduction

Regulation 9 of the Accounts and Audit Regulations 2013 requires the Authority to include a statement on internal control within the Authority's Statement of Accounts.

This statement is made by Cooil Roi Housing Authority 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 Finance 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 Finance Officer 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 the Responsible Finance Officer 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:

- **Board meetings**  
The Board meets monthly and consists of a Chairman and 3 other Board members. The Board receive reports from the Authority's Clerk on operational matters and ensure that the work of the Responsible Financial Officer supports the strategy and policy approved by the Board.
- **regular reviews of financial reports to evaluate financial performance**
- **setting targets to measure financial and other performance and**
- **consideration of capital expenditure requirements**

# Cooil Roi Housing Authority

## Statement of Internal Control (continued)

### 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 the Responsible Finance Officer within the Authority
- the independent reviewers in their annual review letter.

The internal auditor concluded that there were no high risk observations in their report. A number of moderate risk observations were identified.

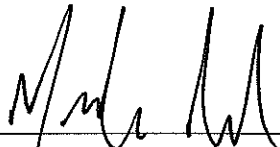
The RFO has met with the Commissioners to discuss the detailed findings of the report with a view to implementing, where practical, the key recommendations of the Internal Auditor.

### 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, the Authority's internal control and corporate governance arrangements are adequate and operate effectively during the period ended 30 April 2016.

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

(Chairman)

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

(Responsible Finance Officer)

(Dated) 18-11-16

The Statement of Internal Control is signed by the Chairperson and Responsible Finance Officer of Garff Parish District Commissioners following the implementation of the Garff Order which amalgamated Cooil Roi Housing Authority with Laxey Village Commissioners, Maughold Parish Commissioners and Lonan Parish Commissioners.

# Cooil Roi Housing Authority

## **INDEPENDENT CHARTERED ACCOUNTANT'S REVIEW REPORT TO THE COMMISSIONERS OF GARFF PARISH DISTRICT COMMISSIONERS**

### **Report on the Financial Statements**

We have reviewed the accompanying financial statements of Cooil Roi Housing Authority for the period ended 30 April 2016 that comprise the statement of accounting policies, the housing revenue income and expenditure account, the statement of the movement on the housing revenue account, the balance sheet, the cash flow statement and the related notes for the period ended 30 April 2016. The financial reporting framework that has been applied in their preparation is applicable law and the Statement of Recommended Practice 2007: Accounting for entities subject to the Audit Act 2006.

### **Responsible Financial Officer's Responsibility for the Financial Statements**

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.

### **Accountant's Responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

### **Scope of the Assurance Review**

A review of financial statements in accordance with ISRE 2400 (Revised) consists primarily of making inquiries of management and others within the entity involved in financial and accounting matters, applying analytical procedures, and evaluating the sufficiency and appropriateness of evidence obtained. A review also requires performance of additional procedures when the reviewer becomes aware of matters that cause the reviewer to believe the financial statements as a whole may be materially misstated.

We believe that the evidence we have obtained in our review is sufficient and appropriate to provide a basis for our conclusion.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

# Cooil Roi Housing Authority

## **INDEPENDENT CHARTERED ACCOUNTANT'S REVIEW REPORT TO THE GARFF PARISH DISTRICT COMMISSIONERS - CONTINUED**

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that these financial statements have not been prepared:

- So as to give a true and fair view of the financial affairs of the authority for the period ended 30 April 2016, and comply with the requirements of any other statutory provision applicable to them, and;
- In compliance with any regulations under section 12 of the Act, and any directions under section 13, which are applicable to them.

*Grant Thornton Limited*

**Grant Thornton Limited**

**Chartered Accountants**

Douglas, Isle of Man

Date: *18 November 2016*

# Cooil Roi Housing Authority

## Housing Revenue Income and Expenditure Account for the 13 month period ended 30 April 2016

	2015/16	Year ended 31 March 2015
	£	£
<b>Income</b>		
Rents	123,174	111,676
Heating	45,117	45,297
Rates	15,984	13,925
Miscellaneous	1,758	1,271
Deficiency	115,517	100,704
	<u>301,550</u>	<u>272,873</u>
<b>Expenditure</b>		
Heating	33,381	36,666
Salaries and wages	88,695	72,014
Members allowances	656	291
Repairs and maintenance	35,902	22,619
Depreciation	44,582	37,942
Rates	16,384	16,239
Insurance	6,849	6,417
Electricity	7,569	5,437
Bank charges on overdraft	584	535
Miscellaneous	2,279	1,351
Internal audit fee	1,200	-
Independent review	2,620	1,807
Telephone	1,892	1,865
TV licence	285	412
Accounting fee	3,164	4,014
	<u>246,042</u>	<u>207,609</u>
<b>Net operating income</b>	55,508	65,264
Bank interest receivable	7	7
Bank interest payable	(11,616)	(10,919)
Interest on Government loan	(22,948)	(25,084)
	<u>20,951</u>	<u>29,268</u>
<b>Surplus for the period</b>	<u>20,951</u>	<u>29,268</u>

The notes on pages 16 to 21 form part of these financial statements.

# Cooil Roi Housing Authority

## Statement of the Movement on the General Fund Balance for the period ended 30 April 2016

	2015/16	Year ended 31 March 2015
	£	£
<b>Surplus for the period on the Housing Revenue Income and Expenditure account</b>	<b>20,951</b>	29,268
<b>Amounts included in the Housing Revenue Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance</b>		
Depreciation	44,582	37,942
<b>Amounts not included in the Housing Revenue Income and Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the period</b>		
Capital loan repayments	(48,098)	(50,491)
	<u>17,435</u>	<u>16,719</u>
<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 period</b>		
Interest received regarding other reserves	(7)	(7)
Transfer to heating surplus reserve	(11,737)	(8,631)
	<u>5,691</u>	<u>8,081</u>
Surplus for the period	5,691	8,081
General Fund Balance brought forward	(22,243)	(30,324)
<b>General Fund Balance carried forward</b>	<b><u>(16,552)</u></b>	<b><u>(22,243)</u></b>

## Statement of Total Recognised Gains and Losses

	2016	2015
	£	£
(Deficit)/surplus for the period on the income and expenditure account	20,951	29,268
Other recognised gains and losses	-	-
<b>Total recognised losses/(gains) for the period</b>	<b><u>20,951</u></b>	<b><u>29,268</u></b>

The results shown above are for the 13 month period to 30 April 2016 whilst the comparative figures are for the 12 month period to 31 March 2015.

The notes on pages 16 to 21 form part of these financial statements.

# Cooil Roi Housing Authority

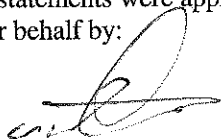
## Balance Sheet

As at 30 April 2016

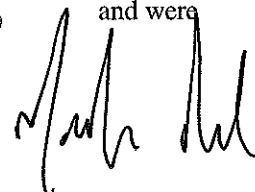
	<i>Notes</i>	<b>2016</b>	31 March 2015
		£	£
<b>Fixed Assets</b>			
Tangible fixed assets	<i>1</i>	2,267,453	2,254,906
<b>Current assets</b>			
Debtors	<i>5</i>	36,442	21,633
Cash at bank	<i>6</i>	71,233	41,490
		<u>107,675</u>	<u>63,123</u>
<b>Current liabilities</b>			
Creditors and accruals	<i>7</i>	(97,146)	(12,899)
Isle of Man Bank Loan	<i>8</i>	(37,161)	(36,729)
Isle of Man Government loan	<i>8</i>	(10,648)	(17,943)
		<u>(144,955)</u>	<u>(67,571)</u>
<b>Net current liabilities</b>		<u>(37,280)</u>	<u>(4,448)</u>
<b>Total assets less current liabilities</b>		<u>2,230,173</u>	<u>2,250,458</u>
<b>Long-term liabilities</b>			
Isle of Man Bank Loan	<i>8</i>	(814,319)	(851,283)
Isle of Man Government loan	<i>8</i>	(204,320)	(208,591)
		<u>1,211,534</u>	<u>1,190,584</u>
<b>Represented by:</b>			
General fund balance	<i>9</i>	(16,552)	(22,243)
Heating surplus reserve account	<i>9</i>	46,226	34,483
Housing maintenance reserve account	<i>9</i>	-	-
Usable capital receipts account	<i>9</i>	286	286
Revaluation reserve	<i>9</i>	670,543	682,529
Capital adjustment account	<i>9</i>	511,031	495,529
		<u>1,211,534</u>	<u>1,190,584</u>

The financial statements were approved and authorised for issue on 18 Nov 16 and were signed on their behalf by:

Chairman



Responsible Finance Officer



The Financial Statements are signed by the Chairperson and Responsible Finance Officer of Garff Parish District Commissioners following the implementation of the Garff Order which amalgamated Cooil Roi Housing Authority with Laxey Village Commissioners, Maughold Parish Commissioners and Lonan Parish Commissioners.

The notes on pages 16 to 21 form part of these financial statements.

# Cool Roi Housing Authority

## Cash Flow Statement

for the period ended 30 April 2016

Revenue activities	2015/16		Year ended 31 March 2015
	£	£	£
<b>Cash outflows</b>			
Cash paid to and on behalf of employees	(89,595)		(73,131)
Other operating cash payments	(153,426)		(98,572)
		(243,021)	(171,703)
<b>Cash inflows</b>			
Rents	123,556		112,206
Deficiency grant received	202,827		89,550
Other operating cash receipts	62,859	389,242	60,493
			262,249
<b>Net cash inflow from revenue activities</b>		146,221	90,546
<b>Returns on Investments and servicing of finance</b>			
<b>Cash outflows</b>			
Interest paid	(11,256)		(12,747)
<b>Cash inflows</b>			
Interest received	7		7
		(11,249)	(12,740)
<b>Capital activities</b>			
<b>Cash outflows</b>			
Purchase of fixed assets		(57,129)	-
<b>Net cash inflow before financing</b>		77,843	77,806
<b>Financing</b>			
<b>Cash outflows</b>			
Repayments of amounts borrowed	(48,098)		(50,491)
		(48,098)	(50,491)
<b>Net increase in cash</b>		29,743	27,315

The cashflows shown above are for the 13 month period to 30 April 2016 whilst the comparative figures are for the 12 month period to 31 March 2015.



# Cooil Roi Housing Authority

## Notes to the Cash Flow Statement for the period ended 30 April 2016

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

	2015/16	Year ended 31 March 2015
	£	£
Net surplus for the period on general fund income and expenditure account	20,951	29,268
Depreciation	44,582	37,942
Interest paid	11,256	12,747
Interest received	(7)	(7)
(Increase)/decrease in debtors	(14,808)	15,451
Increase/(decrease) in creditors	84,246	(4,855)
Net cash inflow from revenue activities	<u>146,221</u>	<u>90,546</u>

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

	2015/16	Year ended 31 March 2015
	£	£
Net debt at 1 April	(1,073,056)	(1,150,862)
Movement in net debt:		
Increase in cash in the period	29,743	27,315
Inflow from decrease in debt financing	48,098	50,491
Net debt at 30 April	<u>(995,215)</u>	<u>(1,073,056)</u>

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

	Balance at 31 March 2015	Cash movement	Non Cash movement	Balance at 30 April 2016
	£	£	£	£
Cash in hand	41,490	29,743	-	71,233
Net debt:				
Due within one year	(54,672)	48,098	(41,235)	(47,809)
Due after one year	(1,059,874)	-	41,235	(1,018,639)
Total net debt	<u>(1,073,056)</u>	<u>77,841</u>	<u>-</u>	<u>(995,215)</u>

The notes on pages 16 to 21 form part of these financial statements.

# Cool Roi Housing Authority

## Notes to the financial statements

(forming part of the financial statements for the period ended 30 April 2016)

### 1. Tangible fixed assets

<b>Operational assets</b>	<b>Land and Buildings</b>	<b>Equipment</b>	<b>Total</b>
<b>Cost/valuation</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2015	2,326,783	7,037	2,333,820
Additions in the period	57,129	-	57,129
<b>At 30 April 2016</b>	<b>2,383,912</b>	<b>7,037</b>	<b>2,390,949</b>
<b>Depreciation</b>			
At 1 April 2015	73,070	5,844	78,914
Charge for the period	43,389	1,193	44,582
<b>At 30 April 2016</b>	<b>116,459</b>	<b>7,037</b>	<b>123,496</b>
<b>Net Book Value</b>			
At 30 April 2016	2,267,453	-	2,267,453
At 31 March 2015	2,253,713	1,193	2,254,906

### Valuation of fixed assets

The Authority plans to revalue its fixed assets every five years. Valuations have been carried out by Chrystals Commercial RICS, Chartered Surveyors who are the Authority's external valuer as at 31 March 2013. The basis for valuation is set out in the statement of accounting policies.

The sheltered housing units have been valued on a basis that reflects their use for social housing. The vacant possession value of the properties at 31 March 2013 was £3,490,000 (including land valued at £750,000) compared to the Balance Sheet value of £2,326,783 (including land valued at £500,025). The difference in value represents the economic cost to the Authority of providing sheltered accommodation at less than open market rents.

### Depreciation methodologies

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

Land and buildings – 50 years  
 Equipment – 5 years  
 Kitchens – 15 Years

### 2. Assets held

<b>Operational assets</b>	<b>Number at 31 March 2015</b>	<b>Changes 2015/16</b>	<b>Number at 30 April 2016</b>
Sheltered accommodation (including wardens flat)	35	-	35

# Cool Roi Housing Authority

## Notes to the financial statements (continued)

(forming part of the financial statements for the period ended 30 April 2016)

### 3. Capital expenditure and financing

There was no capital expenditure in the year ended 31 March 2015. During the period ended 30 April 2016 £57,129 was spent on new kitchens, to be funded by Bank loan once complete.

### 4. Capital commitments

There are no commitments for capital expenditure that had started, or legal contracts entered into, by 31 March 2015. At 30 April 2016, the authority had committed to spending a further £7,189 on kitchen improvements.

### 5. Debtors

	2016	31 March 2015
	£	£
Housing deficiency	-	14,325
VAT	21,462	6,655
Prepayments	14,395	-
Rent debtors	585	653
	<u>36,442</u>	<u>21,633</u>

### 6. Cash

The cash at bank and in hand figure at 30 April 2016 was £71,233 (2015: £41,490).

### 7. Current liabilities

	2016	31 March 2015
	£	£
Trade creditors	4,371	5,436
Accruals	8,259	7,351
Prepaid rents	425	112
Housing deficiency	84,091	-
	<u>97,146</u>	<u>12,899</u>

# Cooil Roi Housing Authority

## Notes to the financial statements (continued)

(forming part of the financial statements for the period ended 30 April 2016)

### 8. Borrowings

#### Isle of Man Government loan

	2016	31 March 2015
	£	£
<i>The loan matures as follows:</i>		
Less than one year	10,648	17,943
Between 1 and 2 years	10,648	17,943
Between 2 and 5 years	31,944	53,829
Over 5 years	161,728	136,819
	<u>214,968</u>	<u>226,534</u>

The authority has taken out IOM Government borrowings to fund previous long term capital projects. Each of these loans are unsecured, repayable between 10 and 60 years and are fixed term loans. The interest charged on these loans is charged at rates between 7% and 11%. The rate on one of the loans is fixed at 11%, the remainder are variable. Interest on certain of the loans is paid direct by the Isle of Man Government Department of Health and Social Care and the remaining interest is met through annual deficiency grants from the Isle of Man Government Department of Health and Social Care.

#### Isle of Man Bank loan

	2016	31 March 2015
	£	£
Analysis of loans by type		
Isle of Man Bank loans	<u>851,480</u>	<u>888,012</u>
Analysis of loans/overdraft by maturity:		
Less than 1 year	37,161	36,729
Between 1 and 2 years	37,597	37,161
Between 2 and 5 years	115,464	114,123
Between 5 and 10 years	173,812	180,894
More than 10 years	487,446	519,105
Total outstanding	<u>851,480</u>	<u>888,012</u>

The authority has two loans from the Isle of Man Bank. The first, a loan of £86,500, was entered into on 19 February 2013 and drawn down on 19 March 2013 for a term of 10 years, with interest charged at a rate of 0.65% above LIBOR. The second loan of £873,500 was entered into on 19 February 2013 for a term of 27 years, with interest again charged at a rate of 0.65% above LIBOR. Both loans are secured by way of a Letter of Comfort from the Isle of Man Government Treasury Division.

# Cooil Roi Housing Authority

## Notes to the financial statements (continued)

(forming part of the financial statements for the period ended 30 April 2016)

### 9. Reserves

	Revaluation Reserve £	Usable capital receipts £	Capital adjustment account £
Balance at 1 April 2015	682,529	286	495,529
Movement for period	-	-	3,516
Transfer between reserves	(11,986)	-	11,986
Balance at 30 April 2016	<u>670,543</u>	<u>286</u>	<u>511,031</u>

### Revenue reserves

	General fund balance £	Heating surplus reserve account £	Housing maintenance reserve account £	Total £
Balance at 1 April 2015	(22,243)	34,483	-	12,240
Movement for the period	5,691	11,743	-	17,434
Balance at 30 April 2016	<u>(16,552)</u>	<u>46,226</u>	<u>-</u>	<u>29,674</u>

### 10. Contingent assets and liabilities

The Authority is a 'resolution body' of the Isle of Man Local Government Superannuation Scheme (IOMLGSS), such that employees may elect to opt into membership of the scheme.

Certain current employees, and potentially certain former employees, have contracts of employment which include terms whereby they will be admitted to the scheme without having to opt in. Notwithstanding this provision, the Authority has no current, deferred or retired members of the IOMLGSS. Eligible current employees have waived their rights under this contract provision.

The authority is not able to determine from its records whether there are any former employees with such contractual rights, and accordingly there is a possible obligation in the event that any eligible former employee makes a claim against the authority under their contract terms. The Authority has however contacted previous employees, who have confirmed that they do not wish to take advantage of any such rights. It is not practicable to quantify the financial effect of this contingent liability.

### 11. Members' allowances

During the period £656 was paid to members (2015: £291).

# Cooil Roi Housing Authority

## Notes to the financial statements (continued)

(forming part of the financial statements for the period ended 30 April 2016)

### 12. Employees' remuneration

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

### 13. 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.

*Members of the Authority* - have direct control over the Authority's financial and operating policies. During the period 2015/16 there was £656 transacted with related parties (2015:£291).

During the period, there was £11,566 due in respect of capital repayments and £22,948 of loan interest was charged in respect of a loan from the Isle of Man Government. Of this amount, £22,424 was met by DOSC as part of the deficiency amount below. At 30 April 2016, an amount of £214,968 was owed in this respect (2015: £226,534). In addition there is a deficiency requirement of £93,095 for the period (2015: £100,704) and at the period end an amount of £84,091 (2015: £14,325 owed to) was owed to the Authority by the Government in respect of this and previous periods deficiency requirements.

### 14. Assurance review

During 2015/16 the Authority incurred the following fees relating to external review:

	2015/16	31 March 2015
	£	£
Fees payable with regard to assurance review – current period	2,200	2,200

# Cooil Roi Housing Authority

## Notes to the financial statements (continued)

*(forming part of the financial statements for the period ended 30 April 2016)*

### 15. Housing deficiency grant

Housing deficiency grant is paid from central government to meet the shortfall which is incurred by the Committee each period.

### 16. Sheltered Accommodation

The housing accommodation of dwellings at 30 April was made up as follows:

	<b>2015/16</b>	<b>31 March 2015</b>
	<b>£</b>	<b>£</b>
Flats and maisonettes	<b>35</b>	<b>35</b>