

Laxey Village Commissioners

Statement of Accounts

For the period ended 30 April 2016

Laxey Village Commissioners

<i>Contents</i>	<i>Page</i>
Explanatory Foreword	1 - 2
Statement of Accounting Policies	3 - 6
Statement of Responsibilities for the Statement of Accounts	7
Statement of Internal Control	8 - 9
Independent Chartered Accountant's review report	10 - 11
Income and Expenditure Account	12
Statement of the Movement on the General Fund Balance	13
Statement of Total Recognised Gains and Losses	13
Balance Sheet	14
Cash Flow Statement	15
Notes to the Cash Flow Statement	16
General and Refuse Rates Funds	17
Notes to the Financial Statements	18 - 25
The following page does not form part of the financial statements	
Unaudited Detailed Income and Expenditure Account	26

Laxey Village Commissioners

Explanatory Foreword

Introduction

This Statement provides a summary of the Authority's financial performance for its final period to 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 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.

The 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 **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 income from local ratepayers and general government grants, together with commercial rents received and other income sources.

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 period. This is the basis on which the Authority sets its rate for the 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 Income and Expenditure Account. This will include 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.

The **General and Refuse Rates Fund** shows the transactions of the Authority as a charging authority in respect of general and refuse rates income.

Laxey Village Commissioners

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.

Income and Expenditure Account

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

Expenditure is met from income from the General and Refuse Rate Fund, government grants, commercial rental income and other sources. For the period ended 30 April 2016, the surplus for the period amounted to £40,279 (2015: £37,206).

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 period ended 30 April 2016, the surplus amounted to £5,163 (2015: £24,424).

Capital Expenditure

During the period £64,265 (2015: £37,512) was incurred on fixed asset expenditure and was financed from General Fund.

General and Refuse Rates Funds

The general and refuse rates income due and collected by the Authority is shown in the General and Refuse Rates Fund. Rates were levied at 174p in the £ (2015: 163p) on a rateable value of £121,220 (2015: £120,315). Provision has been made against £9,348 of rates outstanding at the time of signing of the accounts that are considered potentially irrecoverable. Refuse rates were levied at £163 per property (2015: £163). The rate for April 2016 onwards was also set at 174p in the £ and a refuse rate of £163 was applied. One months rates income has been included in these financial statements to cover the period to 30 April 2016.

Investments and Borrowing

During both periods no new external investments or borrowings were made.

Reserves

The Authority's revenue reserves have increased from £409,461 at 31 March 2015 to £414,624 at 30 April 2016.

Pensions Liability

Accounting standards requires the Authority to disclose certain information within its Statement of Accounts and this appears in note 16 to the Core Financial Statements. Included within that information is the net liability on the Isle of Man Local Government Superannuation Scheme that is attributable to Laxey Village Commissioners.

This is the difference between future liabilities and assets, as valued at 30 April 2016, and amounts to £45,000 (2015: £55,000). The main reasons for the increase in liability are a change in the actuarial assumptions used.

Laxey Village Commissioners

Statement of Accounting Policies

Basis of preparation

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain land and buildings and in accordance with United Kingdom Generally Accepted Accounting Principles.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and in accordance with the Isle of Man Statement of Recommended Practice 2007 on accounting for entities subject to the Audit Act 2006 ("the SORP") issued by Treasury. This SORP is recognised under the Audit Act 2006 and the Accounts and Audit Regulations 2013 as representing proper accounting practices.

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

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

Key principles of the SORP are set out below.

Tangible fixed assets - recognition

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

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

Laxey 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 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.

Disposals

Income from the disposal of fixed assets is accounted for on an accruals basis.

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 by applying the straight line method to Balance Sheet values over periods reflecting their estimated useful lives.

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 the income and expenditure account, 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.

Laxey Village Commissioners

Statement of Accounting Policies (continued)

Pension costs

Pension arrangements for Authority employees are handled by the Local Government Superannuation Scheme, which is a funded, defined benefit scheme. The Accounting Policies of the Fund are those recommended by the SORP and its annual reports are prepared in accordance with the Pensions SORP.

The pension cost has been assessed by the Fund's actuary based on triennial valuations, the 2015/16 contributions being based on the results of the review as at 31 March 2016. These contributions are charged to the Accounts in accordance with statutory requirements. The financial statements have been prepared on the basis that the assets and liabilities arising from an employer's retirement benefit obligations and any related funding are reflected at fair value.

The financial statements contain adequate disclosure of the cost of providing retirement benefits and the related gains, losses, assets and liabilities.

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 Reserve: set up to act as a buffer against the potential risks of increased expenditure to be charged to future periods' Accounts and to assist in organisational development.

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.

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

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 financing transactions.

Pensions Reserve: this is a reserve matching the liability in respect of the Commissioners' share of the Isle of Man Local Government Superannuation Scheme.

Provisions

The Authority holds provisions for bad and doubtful debts, which are held against its arrears of major income sources.

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 the 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.

Laxey Village Commissioners

Statement of Accounting Policies (continued)

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.

Laxey 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;
- approve the Statement of Accounts.

The Responsible Finance Officer's responsibilities

The Responsible Finance 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 Finance Officer is required to:

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

The Responsible Finance Officer should also:

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

We certify that the accounts set out on pages 12 to 25 of this Statement and the Statement of Accounting Policies on pages 3 to 6 present fairly the financial position of the Authority at 30 April 2016 and its income and expenditure for the period ending on that date.

Laxey Village Commissioners

Statement of Internal Control

Introduction

Regulation 9 of the Accounts and Audit Regulations 2013 requires the Authority to conduct a review at least once a year of the effectiveness of its systems of internal control and include a statement on internal control within the Authority's Statement of Accounts.

This statement is made by Laxey 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 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 and other senior officers supports the strategy and policy approved by the Board.

The Responsible Finance Officer 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 Responsible Finance Officer 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 4 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.

Laxey Village Commissioners

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 external auditors in their annual audit letter and other reports.

The internal auditor identified no improvements to address internal control weaknesses in relation to high risk observations.

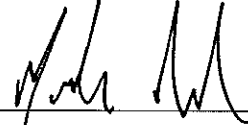
The RFO has met with the Commissioners to discuss the detailed findings of the report for the period ended 31 March 2016 with a view to implementing, where practical, other recommendations of the Internal Auditor.

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) 27/10/16

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 Laxey Village Commissioners with Maughold Parish Commissioners and Lonan Parish Commissioners.

Laxey Village Commissioners

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 Laxey Village Commissioners for the period ended 30 April 2016 that comprise the statement of accounting policies, the income and expenditure account, statement of the movement on the general fund balance, the statement of total recognised gains and losses, balance sheet, the cash flow statement, the general rate and refuse rate fund and the related notes for the period then ended 30 April 2016. The financial reporting framework that 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, the Responsible Financial Officer is responsible for the preparation of for 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.

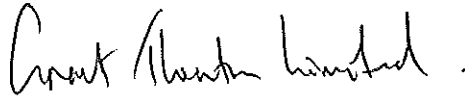
Laxey Village Commissioners

INDEPENDENT CHARTERED ACCOUNTANT'S REVIEW REPORT TO THE COMMISSIONERS OF 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
Chartered Accountants

Douglas, Isle of Man

Date: 31 October 2016.

Laxey Village Commissioners

Income and Expenditure Account

for the period ended 30 April 2016

	2015/16	2015/16	2015/16	Year ended
	Gross	Gross	Net	31 March
Statement of net expenditure	Expenditure	Income	expenditure	2015
	£	£	£	Net
				expenditure
				£
Continuing Operations				
Finance and general purposes	100,871	3,246	97,625	84,572
Property	11,826	26,031	(14,205)	(16,543)
Works and development	20,517	-	20,517	15,912
Parks and leisure	86,915	31,670	55,245	54,968
Refuse disposal	134,317	-	134,317	123,714
Depreciation charge for the period	23,149	-	23,149	21,730
Net current service cost of pension scheme	6,000	-	6,000	3,000
Net cost of services	383,595	60,947	322,648	287,353
Interest payable and similar charges			550	475
Interest receivable and investment income			(40)	(40)
Net operating expenditure			323,158	287,788
Source of finance				
Income from the General and Refuse Rate Fund			363,437	324,994
Net surplus for the period			40,279	37,206

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 18 to 25 form part of these financial statements.

Laxey Village Commissioners

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

	2015/16	Year ended 31 March 2015
	£	£
Surplus for the period on the income and expenditure account	40,279	37,206
Amounts included in the income and expenditure account but required by statute to be excluded when determining the Movement on the General Fund Balance		
Reversal of net charges made for retirement benefits	6,000	3,000
Depreciation charge for the period	23,149	21,730
Amounts not included in the Income and Expenditure Account but required by statute to be included when determining the Movement on the General Fund Balance		
Revenue contribution to capital assets	(64,265)	(37,512)
	<u>5,163</u>	<u>24,424</u>
General Fund Balance brought forward	409,461	385,037
General Fund Balance carried forward	<u>414,624</u>	<u>409,461</u>

Statement of Total Recognised Gains and Losses for the period ended 30 April 2016

	<i>Notes</i>	2015/16	2014/15
		£	£
Surplus on the income and expenditure account for the period		40,279	37,206
Revaluation adjustment in period		-	(140,638)
Actuarial gains/(losses) on Pension Fund Assets and Liabilities	16	16,000	(16,000)
Total recognised gains and losses for the period		<u>56,279</u>	<u>(119,432)</u>

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 18 to 25 form part of these financial statements.

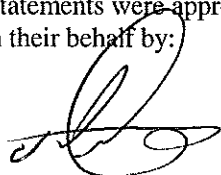
Laxey Village Commissioners

Balance Sheet As at 30 April 2016

	Notes	2016 £	31 March 2015 £
Fixed Assets			
Tangible fixed assets	1	1,146,277	1,105,161
Current assets			
Debtors	4	361,347	26,522
Prepayments and accrued income	4	835	818
Cash at bank	5	274,692	298,033
		<u>636,874</u>	<u>325,373</u>
Current liabilities			
Creditors	6	(360,490)	(54,152)
		<u>(360,490)</u>	<u>(54,152)</u>
Net current assets		276,384	271,221
Long term liabilities			
Pension liabilities	7	(45,000)	(55,000)
		<u>(45,000)</u>	<u>(55,000)</u>
		<u>1,377,661</u>	<u>1,321,382</u>
Financed by:			
Capital adjustment account	8	57,452	8,461
Capital receipts reserve	8	22,218	22,218
Revaluation reserve	8	928,367	936,242
Pension reserve	9	(45,000)	(55,000)
General revenue reserve	9	414,624	409,461
		<u>1,377,661</u>	<u>1,321,382</u>

The financial statements were approved and authorised by the Authority on 27 October 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 Laxey Village Commissioners with Maughold Parish Commissioners and Lonan Parish Commissioners.

The notes on pages 18 to 25 form part of these financial statements.

Laxey Village Commissioners

Cash Flow Statement

for the period ended 30 April 2016

	£	2016 £	£	Year ended 31 March 2015 £
Revenue activities				
Cash outflows				
Cash paid to and on behalf of employees	86,506		75,329	
Other operating cash payments	278,983		227,738	
		(365,489)		(303,067)
Cash inflows				
Rents (after rebates)	58,371		51,040	
Rate receipts	345,206		341,305	
Other operating cash receipts	2,019	405,596	2,062	394,407
Net cash inflow from revenue activities		40,107		91,340
Returns on investments and servicing of finance				
Cash outflows				
Interest paid	(550)		(475)	
Cash inflows				
Interest received	40	(510)	40	(435)
Capital activities		39,597		90,905
Cash outflows				
Purchase of fixed assets		(62,938)		(41,162)
Net increase/(decrease) in cash during the period		(23,341)		49,743

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.

The notes on pages 18 to 25 form part of these financial statements.

Laxey Village Commissioners

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	40,279	37,206
Depreciation	23,149	21,730
Interest paid	550	475
Interest received	(40)	(40)
(Increase)/decrease in debtors	(334,842)	23,239
(Decrease)/increase in creditors	305,011	5,730
Pension appropriations	6,000	3,000
	<hr/>	<hr/>
Net cash inflow from revenue activities	40,107	91,340

2. Reconciliation of the movement in net cash

	2015/16	2014/15
	£	£
Net cash at 1 April	298,033	248,290
Movement in net debt: (Decrease)/increase in cash in the period	(23,341)	49,743
	<hr/>	<hr/>
Net cash at 30 April 2016	274,692	298,033

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	298,033	(23,341)	-	274,692
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 18 to 25 form part of these financial statements.

Laxey Village Commissioners

General and Refuse Rates Funds

For the period ended at 30 April 2016

	£	2016 £	£	Year ended 31 March 2015 £
Total rates levied for the period		377,286		336,971
<i>Add:</i>				
Due from/(to) Treasury re prior period	12,240		26,758	
Arrears brought forward	10,930	23,170	16,695	43,453
		<hr/>	<hr/>	<hr/>
<i>Less:</i>		400,456		380,424
Discounts	(12,437)		(11,638)	
Exempt and unoccupied properties	(1,412)		(339)	
Refunds	-		-	
Collection fee	(3,969)		(3,907)	
		<hr/>	<hr/>	<hr/>
		(17,818)		(15,884)
Treasury write off		(128)		(65)
		<hr/>		<hr/>
Total rates collectable		382,510		364,475
		<hr/> <hr/>		<hr/> <hr/>
Rates received in the period:				
Current period rates	320,231		304,121	
Arrears collected	5,429		10,426	
Balance from Treasury re previous period	12,240		26,758	
Received from Treasury in April 2016	7,306		-	
		<hr/>	<hr/>	
Total rates received in the period		345,206		341,305
Balances outstanding carried forward:				
Due from Treasury re current period	27,957		12,240	
Arrears - current period	3,974		4,726	
- previous years	5,373		6,204	
		<hr/>	<hr/>	
		37,304		23,170
		<hr/>		<hr/>
		382,510		364,475
		<hr/> <hr/>		<hr/> <hr/>

The above figures represent the amounts levied by Treasury in respect of the 13 month period ended 30 April 2016. Whilst the remaining 11 months of the year to 31 March 2017 have been invoiced to ratepayers, the income is due to Garff Commissioners. Notes 4 on page 20 show the amounts that are due as at 30 April 2016 and the amount payable to Garff Parish District Commissioners for the remaining 11 month period to 31 March 2017.

The notes on pages 18 to 25 form part of these financial statements.

Laxey Village Commissioners

Notes to the financial statements

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

1. Tangible fixed assets

	Land and Buildings £	Infrastructure £	Vehicles, Plant & Equipment £	Total £
Cost/valuation				
At 31 March 2015	1,059,531	74,341	265,099	1,398,971
Additions in the period	36,225	22,810	5,230	64,265
At 30 April 2016	1,095,756	97,151	270,329	1,463,236
Depreciation				
At 31 March 2015	-	63,500	230,310	293,810
Charge for the period	8,882	5,434	8,833	23,149
At 30 April 2016	8,882	68,934	239,143	316,959
Net book value				
At 30 April 2016	1,086,874	28,217	31,186	1,146,277
At 31 March 2015	1,059,531	10,841	34,789	1,105,161

Valuation of fixed assets

The land and buildings were revalued at 31 March 2015 by Chrystals Estate Agents, who are authorised and regulated by the Royal Institute of Chartered Surveyors. In accordance with the report dated 25 March 2015, the land and buildings were valued at a market rate of £1,024,531. The basis of valuation is set out in the statement of accounting policies. As explained there, community assets are included at a nominal value which is not incorporated into the accounts. Assets are reported at 31 March 2016 on the following basis:

	Non-Operational assets £	Non Specialised Operational Property £	Operational Specialised Property £	Total £
Historical cost	20,865	-	15,360	36,225
Valuation at 31 March 2015	508,000	251,531	300,000	1,059,531
	528,865	251,531	315,360	1,095,756

Depreciation methodologies

Depreciation is provided on all assets with a finite useful life, other than freehold land and non-operational assets. For all assets depreciation is now calculated, using the straight line method, on Balance Sheet values using the rates below:

Buildings	Public Conveniences	2%
	Other buildings	2%
Vehicles, plant & equipment	Vehicles, bins & IT equipment	Over between 4 and 9 years
	Office equipment/furniture	Over between 4 and 9 years
	Playground equipment	Over between 4 and 9 years
Infrastructure assets	Street lighting	6.67%

Laxey Village Commissioners

Notes to the financial statements - continued

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

2. Assets Held

Operational assets	Number at 31 March 2015	Changes 2015/16	Number at 30 April 2016
Other Land and Buildings			
Depots	1	-	1
Public conveniences	4	-	4
Public offices	1	-	1
Recreation properties	1	-	1
Vehicles, plant and equipment			
Vehicles	2	-	2
Tennis courts	1	-	1
Community Assets			
Historic properties	1	-	1
Parks and open spaces	8	-	8
Commercial properties			
Retail properties	1	-	1
Miscellaneous properties	3	-	3
Dwellings	1	-	1
Capital expenditure and financing		2015/16	2014/15
		£	£
Capital investment			
Non-operational assets		20,865	33,926
Operational assets		43,400	3,586
		64,265	37,512
Sources of finance			
Contribution from general fund		64,265	37,512

Laxey Village Commissioners

Notes to the financial statements - continued

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

3. Capital commitments

The estimated commitments for capital expenditure that had started, or legal contracts entered into, by 30 April 2016 are listed below:

	30/4/16	31/3/15
	£	£
Operational property	<u>41,560</u>	<u>32,000</u>

4. Debtors

	30/4/16	31/3/15
	£	£
Due from Treasury re accounting period	27,957	12,240
Due from Treasury re 1 May 2016 to 31 March 2017	39,969	-
Arrears for period to 31 March 2016	1,987	2,883
Rates due from ratepayers re 1 April to 31 March 2017	275,299	-
Sundry debtors	<u>3,383</u>	<u>-</u>
	348,595	15,123
VAT	<u>12,752</u>	<u>11,399</u>
	361,347	26,522
Prepayments and accrued income	<u>835</u>	<u>818</u>
	<u>362,182</u>	<u>27,340</u>

Debtor balances are shown net of provisions for bad or doubtful debts. Provisions have been made against potentially irrecoverable rates of £7,360 (2015:£8,567) and pension contributions due from employees of £Nil (2015: £2,120). During the period it was decided not to pursue the debtor in respect of pension contributions and the amount was formally written off.

5. Cash

The cash at bank and in hand figure at 30 April 2016 was £274,692 (2015:£298,033) and represents funds held with the Isle of Man Bank. An analysis of the cash movements and the movement in net debt is provided in the cash flow statement and its notes on pages 15 and 16.

6. Creditors

	30/4/16	31/3/15
	£	£
Trade creditors	29,674	35,023
Accruals and deferred income	15,216	19,129
Amounts due to Garff Parish District Commissioners	<u>315,600</u>	<u>-</u>
	360,490	54,152

Rates for the period 1 April 2016 to 31 March 2017 were invoiced on 1 April 2016 and the above figures represent the amounts due at 30 April 2016. An adjustment has been made to reflect 11 months of this income as being due to Garff Parish District Commissioners and is included within creditors below.

Laxey Village Commissioners

Notes to the financial statements - continued

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

7. Pension liabilities due in more than one year

	2016	2015
	£	£
Liability relating to defined benefit pension scheme	<u>45,000</u>	<u>55,000</u>

8. Capital reserves and accounts

	Capital Receipts Reserves	Revaluation Reserve	Capital Adjustment Account
	£	£	£
Balance at 1 April 2015	22,218	936,242	8,461
Transfers to/from other reserves	-	(7,875)	48,991
Balance at 30 April 2016	<u>22,218</u>	<u>928,367</u>	<u>57,452</u>

9. Revenue reserves

	Pension Reserve	General Revenue Reserve
	£	£
Balance at 1 April 2015	55,000	409,461
Net (deficit)/surplus for period	(10,000)	5,163
Balance at 30 April 2016	<u>45,000</u>	<u>414,624</u>

10. Members' allowances

During 2015/16 the Authority paid £6,275 (2014/15: £4,008) to its Members in respect of their attendance at meetings, undertaking duties and responsibilities.

11. Employees' remuneration

There were no employees whose remuneration, excluding pension contributions, was £50,000 or more in either 2014/15 or 2015/16.

Laxey Village Commissioners

Notes to the financial statements - continued

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

12. 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 and preceding year, members were paid allowances as detailed in Note 10.

In addition, one Commissioner occupied a property owned by the Commissioners. Rent was received totalling £8,740 (2015: £5,836) with no arrears at the period end.

13. Assurance review fees

The Authority incurred the following fees relating to assurance review:

	2015/16 £	2014/15 £
Fees payable with regard to assurance review services	1,900	1,900

14. Total rateable value

The rateable value of the village for 2015/16 was 174p (2014/15:163p). The certified rateable value of the village at 31 March 2016 was £121,220 (31 March 2015:£120,315). The refuse rate is £163 per property (2015:£163).

The rate for 2016/17 was set at the same levels as for 2015/16.

15. Contingent assets and liabilities

No such amounts exist at the Balance Sheet date or at 31 March 2015.

Laxey Village Commissioners

Notes to the financial statements - continued

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

16. Pensions

The disclosures in respect of pensions are made from a reports produced for the year ended 31 March 2016 rather than at 30 April 2016. It is not expected that the position as at 30 April 2016 will be materially different.

As part of the terms and conditions of employment of its employees, the authority offers retirement benefits. Although these benefits will not actually be payable until employees retire, the authority has a commitment to make these payments. The Authority participates in the Isle of Man Local Government Superannuation Scheme administered by Douglas Borough Council in accordance with the Isle of Man Local Government Superannuation Scheme Regulations 2012. This is a defined benefit statutory scheme. The Authority and its employees pay contributions into the scheme and these contributions are calculated at a level intended to balance the pensions liabilities with investment assets.

During the financial period the cost of pensions contributions £15,589 (2015: £12,807) has been charged to the Income and Expenditure Account. The Authority must also disclose its share of the assets and liabilities related to the scheme for its employees. The assets and liabilities of the Scheme as at 31 March 2016 were valued by the Fund's actuaries, Hymans Robertson LLP, using the projected unit method, which assesses the future liabilities of the Scheme discounted to their present value. The main financial assumptions used in the calculations are:

Assumptions	31 March 2016 % per annum	31 March 2015 % per annum
Rate of expected return on assets	4.6%	3.3%
Rate of increase of salaries	3.7%	3.9%
Rate of increase in pensions	2.2%	2.5%
Rate for discounting scheme liabilities	3.6%	3.3%

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 2016. The actuary used this valuation as the basis for the reported disclosures.

The assets in the Isle of Man Local Government Superannuation Scheme are valued at fair value, principally market value for investments, and the asset categories are shown in the Isle of Man Local Government Superannuation Scheme Accounts.

The fair value of the assets and liabilities held by the Authority within the Scheme are as follows:

	31 March 2016 £	31 March 2015 £
Estimated employer assets	108,000	95,000
Present value of scheme liabilities	(153,000)	(150,000)
Net pensions liability	<u>(45,000)</u>	<u>(55,000)</u>

Laxey Village Commissioners

Notes to the financial statements - continued

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

16. Pensions - continued

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

	31 March 2016 £	31 March 2015 £
Equities	62,000	63,000
Bonds	29,000	17,000
Property	17,000	12,000
Cash	-	3,000
	<hr/>	<hr/>
Estimated employer assets	108,000	95,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2015/16 £	2014/15 £
Net cost of service		
Current service cost	17,000	13,000
Employer contributions	(11,000)	(10,000)
	<hr/>	<hr/>
	6,000	3,000
	<hr/> <hr/>	<hr/> <hr/>
Net operating expenditure		
Interest cost	5,000	5,000
Expected return on employer assets	(5,000)	(5,000)
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>

The net deficit on the scheme has reduced from £55,000 to £45,000. An analysis of the movement during the period is shown below:

	2015/16 £	2014/15 £
Net pension liability at the beginning of the period	(55,000)	(36,000)
Current service costs	(17,000)	(13,000)
Interest cost	(5,000)	(5,000)
Employer contributions	11,000	10,000
Expected return on employer assets	5,000	5,000
Actuarial gains/(losses)	16,000	(16,000)
	<hr/>	<hr/>
Net pension liability at the end of the period	(45,000)	(55,000)
	<hr/> <hr/>	<hr/> <hr/>

Laxey Village Commissioners

Notes to the financial statements - continued

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

16. Pensions - continued

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

Breakdown of the expected return on assets by category	2015/16	2014/15
	£	£
Equities	5.7%	5.7%
Bonds	2.6%	2.5%
Property	3.8%	3.9%
Cash	2.5%	2.6%

The actuarial gains have been further analysed in the following table, measured as absolute amounts and as a percentage of assets or liabilities as at the end of the financial year:

	2015/16	2015/16	2014/15	2014/15
	£	Actuarial gain/loss as % of assets/liabilities		Actuarial gain/loss as % of assets/liabilities
Value of assets at end of year	108,000		95,000	
Total present value of liabilities	153,000		150,000	
Difference between the expected and actual return on assets	(5,000)	-4.63%	6,000	6.32%
Actuarial gains/(losses) recognised in the statement	16,000	10.46%	(16,000)	10.67%

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

The net liability represents the difference between the value of the Authority's share of assets in the Scheme and the value of the future pension payments to which it was committed at that date. These pension liabilities will be paid out over a period of many years, during which time the assets will continue to generate returns towards funding them. Any significant changes in the global equity markets after 1 April 2016 would also have an impact on the capital value of the pension fund assets.

Full details of the pension fund accounts can be obtained from Douglas Borough Council, Douglas, Isle of Man.

17. Post Balance Sheet Events

From 1 May 2016 the authorities of Laxey Village, Lonan Parish and Maughold Parish will merge to create one local authority known as Garff Parish District Commissioners.

Laxey Village Commissioners

Detailed Income and Expenditure Account for the period ended 30 April 2016

	2016		2015	
	£	£	£	£
Finance and general purpose				
Salaries	34,420		33,789	
Pensions costs	15,589		12,807	
Telephone, printing and stationery	4,780		6,634	
Rent and rates	4,471		3,162	
Board members expenses	6,275		4,008	
Heat and light	7,832		5,242	
Insurance	1,488		1,277	
Accountancy	4,537		2,764	
Assurance review/audit	1,950		1,584	
Professional fees	8,195		5,874	
Entertaining	2,504		1,135	
Election expenses	2,726		936	
Subscriptions	255		275	
Rate collection costs	4,300		3,907	
Provision against rate arrears	(1,207)		2,336	
Rate write (back)/off	128		65	
IT costs	2,628		839	
		100,871		86,634
Less:				
Miscellaneous income	1,936		1,122	
Search fees	1,310	(3,246)	940	(2,062)
		97,625		84,572
Property				
Maintenance	5,839		5,148	
Insurance	2,829		2,980	
Professional fees	3,158		1,664	
		11,826		9,792
Less:				
Rents received		(26,031)		(26,335)
		(14,205)		(16,543)
Works and development				
Street lighting		20,517		15,912
Parks and leisure				
Wages	34,098		29,524	
Heritage costs	3,816		7,455	
Equipment and vehicle maintenance	1,595		1,619	
Repairs and maintenance	47,406		44,084	
		86,915		82,682
Less:				
Rents		(31,670)		(27,714)
		55,245		54,968
Refuse disposal				
Maintenance and disposal charges		134,317		123,714
Depreciation		23,149		21,730
Pension – net current service cost		6,000		3,000
Total net expenditure		322,648		287,353