

Onchan District Commissioners

Statement of Accounts

For the year ended 31 March 2015

Onchan District Commissioners

<i>Contents</i>	<i>Page</i>
Explanatory Foreword	2 – 4
Statement of Accounting Policies	5 – 8
Statement of Responsibilities for the Statement of Accounts	9
Statement of Internal Control	10 – 11
Independent Auditor's Report	12 – 13
Income and Expenditure Account	14
Statement of the Movement on the General Fund Balance	15
Housing Revenue Income and Expenditure Account	16
Statement of Movement on the Housing Revenue Account Balance	17
Statement of Total Recognised Gains and Losses	18
Balance Sheet	19 – 20
Cash Flow Statement	21 – 22
Notes to the Cash Flow Statement	23
General Rate Fund	24
Notes to the Financial Statements	25 – 38
<i>The following pages do not form part of the statutory audited accounts</i>	
Detailed Income and Expenditure Account	39 – 42

Onchan District Commissioners

Explanatory Foreword

Introduction

This Statement provides a summary of the Authority's financial performance for the year ended 31 March 2015. It has been prepared in accordance with the Isle of Man Statement of Recommended Practice 2007 "Accounting for entities subject to the Audit Act 2006" ("the SORP").

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 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 set 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.

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.

Onchan District 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.

Net expenditure is met from the following sources:

- Income from the General Rate Fund
- Government grants
- Other income

The income and expenditure account for the year shows a deficit of £1,425,798 (2014: £137,738), however once the other movements on the general fund have been taken into account, as detailed below, the overall movement in the General Fund shows a deficit of £89,047 (2014: £137,312), compared to a budgeted deficit of £62,746 (2014: £77,039).

This is due to some general under spends during the year, and additional capital expenditure from the general fund which was approved after the budget was agreed.

Statement of Movement on the General Fund Balance

This relates to amounts which are included in the income and expenditure account but do not relate to the general fund, and items excluded from the income and expenditure account which relate to the general fund.

Primarily the movements relate to the depreciation cost in the year, income and expenditure on other funds, gains or loss on sale of fixed assets, expenditure on fixed assets which are funded from the general fund, reversing income and expenditure account movements on the pension liabilities, and the inclusion of capital repayments on loans and finance leases which are met by the general fund.

Housing Revenue Account

The Housing Revenue Account ("HRA") shows the income and expenditure on Authority housing. This shows an operating deficit of £1,042,594 (2014: surplus of £37,585). After taking account of capital repayment of loans of £535,715 (2014: £459,325), depreciation, impairments and fixed assets paid out of the housing funds, there is a surplus of £5,801 (2014: £188,982) which has been transferred to the housing related reserves.

Capital Expenditure

Total capital expenditure in the year was £468,129 (2014: £2,060,399), all of which relates to the purchase of fixed assets.

General Rate Fund

The general rate income due and collected by the Authority is shown in the General Rate Fund. Rates were levied at 290p (2014: 275p) in the £ on a rateable value of £792,167 (2014: £789,562) during the year. Rate arrears at the year end were £15,796 (2014: £14,575) and this represents 0.7% (2014: 0.7%) of the rates levied for the year.

Investments and Borrowing

The Authority borrowed £335,651 (2014: £1,555,700) during the year to finance capital programmes. The borrowings are initially by the way of an overdraft, which is then converted into a loan once the current capital project has been completed.

Onchan District Commissioners

Explanatory Foreword (continued)

Reserves

The Authority has decreased its general reserves from £812,184 at 31 March 2014 to £723,137 at 31 March 2015. This decrease is more than the budgeted decrease and this is due to additional capital expenditure from the general fund which was approved after the budget was agreed, and a combination of planned contributions and general under spending in the year. These resources are retained to cover planned and potential expenditure, including support of the capital programme, debt repayment and as a buffer against anticipated financial risks.

Pensions Liability

The SORP requires the Commissioners to disclose certain information within the Financial Statements and this appears in Note 25 to the Financial Statements. Included within that information is the net liability on the Isle of Man Local Government Superannuation Scheme that is attributable to Onchan District Commissioners.

This is the difference between future liabilities and assets, as valued at 31 March 2015, and amounts to £4,127,000 (2014: £3,182,000). No current provision exists to meet this deficit which will be addressed by future contributions to the Pension Fund.

Onchan District 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.

The accounts have been drawn up in accordance with the Isle of Man Statement of Recommended Practice 2007 "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.

Key accounting policies 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. Operational assets are those used by the Authority in the delivery of services or in pursuit of its strategic or service objectives. Non-operational assets are those held but not directly occupied, used or consumed for those purposes. The depreciation rates are detailed in Note 2 to the financial statements.

Valuations

Asset valuations have been carried out in accordance with guidelines established by CIPFA and RICS, and in accordance with the SORP.

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, historical costs have been used as a proxy for valuation; 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 the historical cost 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.

Routine revaluations will be carried out at intervals of not more than five years, although major changes in value are recorded as they occur.

Depreciation

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

No depreciation is provided on freehold land.

Onchan District 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.

Disposals

Income from the disposal of fixed assets is accounted for on an accruals basis. Capital receipts are held in the Usable Capital Receipts Reserve until such time as they are used to finance other capital expenditure, when they are credited to the Capital Adjustment Account.

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. Grants and contributions from other organisations have been treated in the same way as Government grants.

Housing Deficiency

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

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

Value added tax

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

Onchan District Commissioners

Statement of Accounting Policies (continued)

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.

Reserves

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

- **General Fund**
Represents accumulated surpluses on past activities and is available to mitigate the potential risks of increased expenditure to be charged to future years' accounts and to assist in organisational development.
- **Housing Maintenance Reserve and Elderly Persons Housing Maintenance Reserve**
Representing the unspent allowance for repairs on the Commissioners' housing stock
- **Community Facilities Fund**
Representing the unspent allowance to fund community facilities in the elderly persons' complexes.
- **Elderly Persons Housing Heating Reserve**
Representing the balance on the heating charges at the year end to cover heating costs in the elderly persons' housing.
- **Usable Capital Receipts**
These are amounts of capital receipts received to be used to finance future capital expenditure.
- **Earmarked Reserves**
These are amounts which have been earmarked to cover expenditure in specific areas.

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.
- **Pensions Reserve**
Amount set aside to match the liability in respect of the Commissioners' participation in the Isle of Man Local Government Superannuation Scheme.
- **Revaluation Reserve**
Representing principally the balance of the surpluses or deficits arising on the periodic revaluation of fixed assets.

Onchan District Commissioners

Statement of Accounting Policies (continued)

Pension costs

Pension arrangements for Authority employees are delegated to the Isle of Man Local Government Superannuation Scheme, which is a partially 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 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 operating costs of providing retirement benefits to employees are recognised in the accounting period(s) in which the benefits are earned by the employees, and the related finance costs and any other changes in value of the assets and liabilities are recognised in the accounting periods in which they arise; and the financial statements contain adequate disclosure of the cost of providing retirement benefits and the related gains, losses, assets and liabilities.

Provisions

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

Exceptional items, extraordinary items and prior year adjustments

Exceptional items and extraordinary items are included in the cost of the relevant service or on the face of the Income and Expenditure Account, as appropriate. Prior year adjustments arising from natural corrections associated with estimates used in the accounts are accounted for in the year in which they are recognised. Material adjustments arising from changes in accounting policies or fundamental errors are accounted for by restating preceding year comparative figures and opening balances on reserves. Appropriate disclosures are made where relevant.

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.

Liquid Resources

The authority's liquid resources comprise of deposit accounts which cannot be accessed within 24 hours.

Onchan District 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 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 these Statement of Accounts, the Responsible Financial Officer has:

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

The Responsible Financial Officer has also:

- kept proper accounting records which were up to date;
- taken 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 it presents fairly the financial position of the body at the accounting date and its income and expenditure for the year ended 31 March 2015.

Onchan District 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 in a year of the effectiveness of its system of internal control and include a statement on internal control within the Authority's statement of accounts.

This statement is made by the Onchan District 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 is considered to be the key aspect of the internal control and corporate governance environment:

- **Board meetings**

The Board meets three times a month and consists of a Chairman and 6 other Board members. The Board receive reports from the Authority's Officers on operational matters and ensure that the work of the Chief Executive, Responsible Financial Officer and other senior officers supports the strategy and policy approved by the Board.

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.

Further evidence as to the effectiveness of internal controls and corporate governance arrangements is provided by reports issued during the year by the external and internal Auditors.

Onchan District Commissioners

Statement of Internal Control (continued)

Review of internal financial control

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Authority. In particular, the system includes:

- comprehensive budgeting systems;
- regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts;
- setting targets to measure financial and other performance;
- the preparation of regular financial reports which indicate actual expenditure against the forecasts;
- clearly defined capital expenditure guidelines; and
- as appropriate, formal project management disciplines.

The authority has engaged an independent external party to provide an internal audit of the authority's systems and controls, covering the areas agreed by the Commissioners and management. The Internal Auditor reports their findings to the Commissioners.

No unacceptable areas of risk were identified in their report covering the year ended 31 March 2015.

Our 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, as described above; and
- the external auditors in their annual audit letter and other reports.

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 operated effectively during the year ended 31 March 2015.

(Signed) 

R Turton (Chairman)

(Signed) 

P M Hulme (Chief Executive)

30 October 2015

Independent Auditor's Report to the Commissioners of Onchan District Commissioners

We have audited the financial statements of Onchan District Commissioners for the year ended 31 March 2015 which comprise the statement of accounting policies, the income and expenditure account, the statement of movement on the general fund balance, the housing revenue income and expenditure account, the statement of the movement on the housing revenue account balance, the statement of total recognised gains and losses, the balance sheet, the cash flow statement, the general rate fund and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Statement of Recommended Practice 2007: Accounting for entities subject to the Audit Act 2006 ("the SORP").

This report is made solely to the authority's Commissioners, as a body, in accordance with section 6 of the Audit Act 2006. Our audit work has been undertaken so that we might state to the authority's Commissioners, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the authority and the authority's Commissioners, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Responsible Financial Officer and auditor

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Responsible Financial Officer is responsible for the preparation of the Statement of Accounts, including the financial statements, which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the authority's affairs as at 31 March 2015 and of its deficit for the year then ended;
- have been prepared in accordance with the requirements of the SORP; and
- have been prepared in accordance with the Accounts and Audit Regulations 2013 made under the Audit Act 2006.

Independent Auditor's Report to the Commissioners of Onchan District Commissioners (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the section 4 of the Audit Act 2006 requires us to report to you if, in our opinion:

- the financial statements do not comply with the regulations made under section 12 of the Act and any directions under section 13; or
- expenditure or income 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.

Grant Thornton Limited

Grant Thornton Limited
Chartered Accountants

Douglas
Isle of Man

Date: *30 OCTOBER 2015*

Onchan District Commissioners

Income and Expenditure Account for the year ended 31 March 2015

Statement of net expenditure

	Gross expenditure £	Income £	2015 Net income/ (expenditure) £	2014 Net income/ (expenditure) £
Continuing operations:				
Finance and general purposes	(1,008,496)	167,784	(840,712)	(655,343)
Works and cleansing	(1,117,944)	303,003	(814,941)	(696,472)
Leisure and amenities	(760,518)	80,632	(679,886)	(643,284)
Government assisted	(36,100)	111,488	75,388	85,994
Net income from/(cost of) General Fund services	(2,923,058)	662,907	(2,260,151)	(1,909,105)
Housing Income and Expenditure Account	(2,948,115)	2,572,142	(375,973)	708,821
Net income from/(cost of) services	(5,871,173)	3,235,049	(2,636,124)	(1,200,284)
Gain/(Loss) on disposal of fixed assets			(1,207)	(1,596)
Interest payable and similar charges			(885,395)	(904,886)
Interest and investment income			7,012	7,434
Pension interest cost & expected return on pension assets			(46,000)	(65,000)
Net operating expenditure			(3,561,714)	(2,164,332)
Sources of finance				
Income from the General Rate Fund			2,135,916	2,026,594
Net surplus/(deficit) for the year			(1,425,798)	(137,738)

The notes on pages 25 to 38 form part of these financial statements.

Onchan District Commissioners

Statement of the Movement on the General Fund Balance for the year ended 31 March 2015

	2015 £	2014 £
Surplus/(deficit) for the year on the Income and Expenditure Account	(1,425,798)	(137,738)
Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance		
Depreciation and impairment of fixed assets	433,730	273,449
Net charges made for retirement benefits	131,000	91,000
(Gain)/Loss on disposal of fixed assets	1,207	1,596
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 for the year		
Loan funds principal repayments	(201,799)	(188,513)
Loan funds principal repayments received - Drainage loan	63,126	58,657
Fixed assets financed out of general fund	(132,478)	(198,579)
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		
Transfer (to)/from Housing Revenue Account	1,042,594	(37,585)
Transfers (to)/from Earmarked Reserves	(629)	401
Increase/(Decrease) in General Fund Balance	(89,047)	(137,312)
General Fund Balance brought forward	812,184	949,496
General Fund Balance carried forward	723,137	812,184

The notes on pages 25 to 38 form part of these financial statements.

Onchan District Commissioners

Housing Revenue Income and Expenditure Account for the year ended 31 March 2015

	2015 £	2015 £	2014 £
Income			
Dwelling rents including rates	2,172,688		2,050,713
Charges for services and facilities	89,538		112,757
Contributions towards expenditure including Housing Deficiency Payments	309,916		304,419
Total income		2,572,142	2,467,889
Expenditure			
Repairs and maintenance	(820,673)		(559,189)
Supervision and management	(239,351)		(239,931)
Rents, rates, taxes and other charges	(303,981)		(271,948)
Depreciation and impairment of fixed assets	(1,584,110)		(688,000)
		(2,948,115)	(1,759,068)
Net cost of HRA services as included in the whole authority Income and Expenditure Account		(375,973)	708,821
HRA share of other amounts included in the whole authority Net Cost of Services but not allocated to specific services		—	—
Net cost of HRA services		(375,973)	708,821
<i>HRA share of the operating income and expenditure included in the whole authority income and expenditure account:</i>			
Interest payable and similar charges		(668,871)	(673,342)
Interest and investment income		2,250	2,106
Surplus/(deficit) for the year on HRA services		(1,042,594)	37,585

The notes on pages 25 to 38 form part of these financial statements.

Onchan District Commissioners

Statement of the Movement on the Housing Revenue Account Balance for the year ended 31 March 2015

	2015 £	2014 £
Surplus/(deficit) for the year on the HRA Income and Expenditure Account	(1,042,594)	37,585
Amounts included in the Housing Revenue Income and Expenditure Account but required by statute to be excluded when determining the Movement on the Housing Revenue Account Balance		
Depreciation and impairment of fixed assets	1,584,110	688,000
Amounts not included in the Housing Revenue Income and Expenditure Account but required by statute to be included when determining the Movement on the Housing Revenue Account Balance for the year		
Loans funds principal repayments	(535,715)	(459,325)
Fixed assets financed out of housing fund	–	(77,278)
Transfers to or from the Housing Revenue Account that are required to be taken into account when determining the Movement on the Housing Revenue Account Balance for the year		
Transfer (to)/from Community Facilities Fund	(1,335)	6,641
Transfer (to)/from Housing Maintenance Reserve	(88,061)	(212,888)
Transfer (to)/from EPC Housing Maintenance Reserve	83,652	36,468
Transfer (to)/from EPC Heating Reserve	(57)	(19,203)
	–	–
Housing Revenue Account Balance brought forward	–	–
Housing Revenue Account Balance carried forward	–	–

The notes on pages 25 to 38 form part of these financial statements.

Onchan District Commissioners

Statement of Total Recognised Gains and Losses for the year ended 31 March 2015

	Note	2015 £	2014 £
Surplus/(deficit) on the Income and Expenditure Account for the year		(1,425,798)	(137,738)
Actuarial gains/(losses) on pension fund assets and liabilities	25	(814,000)	(1,059,000)
Revaluation of Properties	1	2,950,149	—
Total recognised gains and losses for the year		710,351	(1,196,738)

Onchan District Commissioners

Balance Sheet as at 31 March 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible fixed assets					
Operational assets					
– Dwellings	1	49,989,002		49,047,329	
– Other land and buildings	1	4,712,229		4,356,079	
– Vehicles, plant, furniture and equipment	1	136,482		222,145	
– Infrastructure assets	1	299,216		352,241	
– Community assets	1	114,204		130,625	
			55,251,133		54,108,419
Non-operational assets					
- Assets in the Course of Construction	1	409,732		747,215	
- Investment properties	1	4,329,000		3,735,000	
			4,738,732		4,482,215
			59,989,865		58,590,634
Long-Term Debtor	9		1,133,999		1,200,605
Current assets					
Debtors	10	412,317		443,768	
Cash at bank & liquid assets		1,630,587		1,623,810	
		2,042,904		2,067,578	
Current liabilities					
Short-term borrowing	15	734,632		701,741	
Creditors	12	526,422		627,396	
Bank overdraft		1,666,940		1,211,647	
		2,927,994		2,540,784	
Net current assets/(liabilities)			(885,090)		(473,206)
Total assets less current liabilities			60,238,774		59,318,033
Long-term liabilities					
Long-term borrowing	15	15,290,417		16,025,027	
Pension liabilities	25	4,127,000		3,182,000	
			(19,417,417)		(19,207,027)
Total assets less liabilities			40,821,357		40,111,006

Onchan District Commissioners

Balance Sheet (continued) as at 31 March 2015

	Notes	2015 £	2014 £
Financed by:			
Capital Adjustment Account	13	385,210	1,150,179
Pensions Reserve	13	(4,127,000)	(3,182,000)
Earmarked Reserves	13	20,015	19,386
General Fund	13	723,137	812,184
Housing Maintenance Reserve	13	684,539	680,130
Elderly Persons Housing Maintenance Reserve	13	3,603	3,603
Community Facilities Fund	13	20,169	18,834
Elderly Persons Housing Heating Reserve	13	36,683	36,626
Revaluation Reserve	13	43,075,001	40,572,064
		40,821,357	40,111,006

The financial statements were approved and authorised for issue by the Authority on 30 October 2015 and were signed on their behalf by:



R Turton
Chairman



T M G Edwin-Reed
Responsible Financial Officer

Onchan District Commissioners

Cash Flow Statement for the year ended 31 March 2015

Revenue activities	Notes	2015 £	2015 £	2014 £
Cash outflows				
Cash paid to and on behalf of employees		(1,374,238)		(1,391,252)
Other operating cash payments		(2,252,674)		(1,753,650)
			(3,626,912)	(3,144,902)
Cash inflows				
Rents (after rebates)		2,397,722		2,329,712
Rate receipts		2,109,109		2,051,569
Grants from Central Government		302,366		326,240
Cash received for goods and services		470,920		534,941
			5,280,117	5,242,462
Net cash inflow/outflow from revenue activities	1		1,653,205	2,097,560
Returns on Investments and servicing of finance				
Cash outflows				
Interest paid		(884,874)		(903,777)
			(884,874)	(903,777)
Cash inflows				
Interest received		7,012		7,434
			7,012	7,434
Net servicing of finance			(877,862)	(896,343)
Capital activities				
Cash outflows				
Purchase of fixed assets		(585,266)		(2,060,717)
			(585,266)	(2,060,717)
Cash inflows				
Sale of fixed assets		—		—
			—	—
Net Capital activities			(585,266)	(2,060,717)
Net cash inflow/(outflow) before financing	2		190,077	(859,500)

Onchan District Commissioners

Cash Flow Statement (continued) for the year ended 31 March 2015

	Notes	2015 £	2015 £	2014 £
Management of Liquid resources				
Net (increase)/decrease in short term deposits		(103,788)		(1,217,568)
		<u> </u>	(103,788)	<u> </u> (1,217,568)
Financing				
Cash outflows				
Repayments of amounts borrowed		(701,719)		(647,838)
		<u>(701,719)</u>		<u>(647,838)</u>
Cash inflows				
New loans raised		—		2,137,228
Amounts received from long-term loan debtor		63,126		58,657
		<u>63,126</u>		<u>2,195,885</u>
Net cash inflow/(outflow) from financing			(638,593)	1,548,047
Net increase/(decrease) in cash	3		<u>(552,304)</u>	<u>(529,021)</u>

Onchan District Commissioners

Notes to the Cash Flow Statement for the year ended 31 March 2015

1. Reconciliation of net surplus to cash inflow/(outflow) from revenue activities

	2015 £	2014 £
Net surplus/(deficit)	(1,425,798)	(137,738)
Depreciation and impairment	2,017,840	961,449
(Gain)/Loss on disposal of fixed assets	1,207	1,596
Appropriations to pension reserve	131,000	91,000
Interest paid	884,874	903,777
Interest received	(7,012)	(7,434)
(Increase)/decrease in debtors	34,931	96,989
Increase/(decrease) in creditors	16,163	187,921
Capital additions expended in previous years	—	—
Net cash inflow from revenue activities	1,653,205	2,097,560

2. Reconciliation of the movement in net debt

	2015 £	2015 £	2014 £
Net debt at 1 April		(15,050,874)	(14,191,374)
Movement in net debt:			
Increase/(decrease) in cash in the period	(552,304)		(529,021)
(Increase)/decrease in debt financing	638,593		(1,548,047)
Increase/(decrease) in liquid resources	103,788		1,217,568
		190,077	(859,500)
Net debt at 31 March		(14,860,797)	(15,050,874)

3. Reconciliation of financing and management of liquid resources

	Balance at 1 April 2014 £	Cash movement £	Non-Cash movement £	Balance at 31 March 2015 £
Cash in hand	406,242	(97,011)	—	309,231
Cash overdrawn	(1,211,647)	(455,293)	—	(1,666,940)
	(805,405)	(552,304)	—	(1,357,709)
Short term deposits	1,217,568	103,788	—	1,321,356
Net debt:				
Due within one year	(638,615)	638,593	(668,004)	(668,026)
Due after one year	(14,824,422)	—	668,004	(14,156,418)
Total net debt	(15,050,874)	190,077	—	(14,860,797)

Onchan District Commissioners

General Rate Fund as at 31 March 2015

	2015 £	2015 £	2014 £	2014 £
Total rates levied for the year		2,290,796		2,167,436
<i>Add:</i>				
Arrears brought forward	14,575		18,422	
Advances brought forward	<u>(49,105)</u>		<u>(18,704)</u>	
		(34,530)		(282)
<i>Less:</i>				
Discounts	(87,730)		(77,743)	
Exempt and unoccupied properties	<u>(67,150)</u>		<u>(63,099)</u>	
		(154,880)		(140,842)
Total rates collectable		<u>2,101,386</u>		<u>2,026,312</u>
 Rates received in the year:				
Current year rates	2,079,837		2,001,283	
Arrears collected	5,753		10,454	
Advances received	<u>23,519</u>		<u>49,105</u>	
Total rates received in the year		2,109,109		2,060,842
 Balances outstanding carried forward:				
Arrears				
• Current year	6,974		6,607	
• Previous years	8,822		7,968	
Advances	<u>(23,519)</u>		<u>(49,105)</u>	
		(7,723)		(34,530)
		<u>2,101,386</u>		<u>2,026,312</u>

Onchan District Commissioners

Notes

(forming part of the financial statements for the year ended 31 March 2015)

1 Tangible fixed assets

Operational assets	Dwellings £	Other land and buildings £	Vehicles, plant and equipment £	Infrastructure assets £	Community assets £	Total £
Value/Cost						
At 31 March 2014	51,655,727	5,004,284	1,483,515	644,995	367,568	59,156,089
Additions in the year	107,433	117,837	2,185	12,456	—	239,911
Disposals in the year	—	—	(509,667)	(2,128)	—	(511,795)
Transfers	565,701	—	—	—	—	565,701
Revaluation	(2,339,859)	(7,837)	—	—	—	(2,347,696)
At 31 March 2015	49,989,002	5,114,284	976,033	655,323	367,568	57,102,210
Depreciation						
At 31 March 2014	2,608,398	648,205	1,261,370	292,754	236,943	5,047,670
Charge for the year	730,592	100,537	87,705	64,417	16,421	999,672
Disposals in the year	—	—	(509,524)	(1,064)	—	(510,588)
Transfers	—	—	—	—	—	—
Revaluation	(3,338,990)	(346,687)	—	—	—	(3,685,677)
At 31 March 2015	—	402,055	839,551	356,107	253,364	1,851,077
Net book value						
At 31 March 2015	49,989,002	4,712,229	136,482	299,216	114,204	55,251,133
At 31 March 2014	49,047,329	4,356,079	222,145	352,241	130,625	54,108,419

Included in Dwellings above are refurbishment costs of £0 (2014: £1,377,555) on which no depreciation has been charged. The carrying value of these properties will be reassessed and depreciation will be charged on these once the refurbishment work has been completed.

Onchan District Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2015)

1 Tangible fixed assets (continued)

Non-operational assets	Assets under Construction £	Investment Properties £	Total £
Value			
At 31 March 2014	747,215	3,735,000	4,482,215
Additions in the year	228,218	—	228,218
Transfers	(565,701)	—	(565,701)
Revaluation	—	594,000	594,000
At 31 March 2015	409,732	4,329,000	4,738,732
Depreciation			
At 31 March 2014	—	—	—
Charge for the year	—	—	—
Transfers	—	—	—
Revaluation	—	—	—
At 31 March 2015	—	—	—
Net book value			
At 31 March 2015	409,732	4,329,000	4,738,732
At 31 March 2014	747,215	3,735,000	4,482,215

Assets under Construction are a plot of land in Marion Road which has been purchased with the intention to provide additional Social Housing units.

Onchan District Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2015)

1 Tangible fixed assets (continued)

Valuation of fixed assets

The Authority plans to revalue its fixed assets every five years. A valuation was carried out as at 31 March 2015 by the Authority's external valuer, Chrystals Commercial, Chartered Surveyors of Douglas, Isle of Man. The valuation was carried out in accordance with the SORP, and ultimately following RICS Professional Valuation Standards – 9th Edition UK with particular regard to guidance relating to UK Appendix 5 – Valuations of Local Authority Assets.

Dwellings are valued on a basis that reflects their use for social housing. The vacant possession value of dwellings at 31 March 2015 was £74,983,500 compared to the balance sheet value at 31 March 2015 of £49,989,002 (2014: £49,047,329). The difference in value at each date represents the economic cost to the authority of providing social housing at less than open market rents.

The basis for valuation is set out in the statement of accounting policies. Assets have been valued, after depreciation, as follows:

Operational assets	Dwellings £	Other land and buildings £	Vehicles, plant and equipment £	Infrastructure £	Community assets £	Total £
Valued at historical cost	–	127,222	136,482	299,216	114,204	677,124
Valued at current value in use						
31 March 2015	49,989,002	4,585,007	–	–	–	54,574,009
	<u>49,989,002</u>	<u>4,712,229</u>	<u>136,482</u>	<u>299,216</u>	<u>114,204</u>	<u>55,251,133</u>

2 Depreciation methodologies

Depreciation is provided on all assets with a finite useful life, other than investment properties. Depreciation is calculated, using the straight line method, on Balance Sheet values over periods reflecting the following estimated useful lives:

		Years
Dwellings	Buildings	50
Other Land and Buildings	Buildings	15 - 50
	Improvements	10
	Public Conveniences	15
Vehicles, Plant & Equipment		3 – 10
Community Assets	Excluding land	10
Infrastructure Assets	Excluding land	10

Freehold land is not depreciated.

Onchan District Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2015)

3 Assets held

Operational assets	Number at 31 March 2014	Changes 2014-15	Number at 31 March 2015
Dwellings			
Houses, Flats and Bungalows	394	5	399
Sheltered accommodation	100	—	100
Other Land and Buildings			
Car parks	3	—	3
Depots	2	—	2
Public Conveniences	3	—	3
Public Halls	1	—	1
Public Offices	1	—	1
Recreational properties	1	—	1
Sports Stadium	1	—	1
Vehicles, Plant and Equipment			
Vehicles	16	—	16
Infrastructure Assets			
Street Lights	922	—	922
Community Assets			
Parks and open spaces	9	—	9
Non-Operational assets			
Investment properties			
Retail properties	16	—	16
Garages (general fund)	138	—	138

4 Housing fixed assets

The dwellings consist of the authority's housing stock.

Onchan District Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2015)

5 Housing stock

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

	2015 No.	2014 No.
Houses, flats and bungalows	399	394
Elderly Persons Housing – Sheltered Accommodation Units	100	100
	<u>499</u>	<u>494</u>

Changes in the housing stock are detailed below:

	2015 £	2014 £
Stock at 1 April 2014	49,047,329	48,620,723
Additions	107,433	1,114,606
Depreciation	(730,592)	(688,000)
Transfers	565,701	–
Impairment	(853,518)	–
Revaluations	1,852,649	–
Stock at 31 March 2015	<u>49,989,002</u>	<u>49,047,329</u>

The authority is currently refurbishing some of its housing stock, the cost of which is included as an addition above.

6 HRA capital expenditure

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

	2015 £	2014 £
Borrowings	335,651	1,179,352
Reserves – to be transferred to Borrowings after the year end	–	419,644
Reserves	–	262,825
	<u>335,651</u>	<u>1,861,821</u>

This includes Assets under Construction as detailed in Note 1.

Onchan District Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2015)

7 Capital expenditure and financing

	2015 £	2014 £
Capital investment		
Operational assets	468,129	1,313,184
Non-operational assets	—	747,215
	<u>468,129</u>	<u>2,060,399</u>
Sources of finance		
Bank borrowings	335,651	1,598,996
Payments from revenue reserves	132,478	198,578
Payments from housing reserves	—	262,825
	<u>468,129</u>	<u>2,060,399</u>

The borrowings are by the way of an overdraft, which are converted into a loan once the current capital project has been completed.

8 Capital commitments

The estimated commitments for capital expenditure that had started, or legal contracts entered into, by 31 March 2015 are listed below:

	31 March 2015 £	31 March 2014 £
Housing	—	348,905
Playground	—	—
	<u>—</u>	<u>348,905</u>

The estimated commitments for capital expenditure which has been authorised by the Commissioners but has not started, nor legal contracts entered into, by 31 March 2015 are listed below:

	31 March 2015 £	31 March 2014 £
Housing	—	—
	<u>—</u>	<u>—</u>

Onchan District Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2015)

9 Long-Term Debtors

	Balance at 1 April 2014	Debts repaid	Transferred to less than one year	Balance at 31 March 2015
	£	£	£	£
Due from Manx Utilities	1,200,605	(63,126)	(3,480)	1,133,999
	<u>1,200,605</u>	<u>(63,126)</u>	<u>(3,480)</u>	<u>1,133,999</u>

The debtor is repayable over periods between 15 and 25 years. The interest charged is between 6.10% and 6.40%.

10 Debtors

	2015 £	2014 £
Debtors:		
Amounts falling due in one year (net of bad debt provisions):		
Government departments	195,774	191,829
Other local authorities	6,691	416
Ratepayers	1,195	1,674
Housing rents	25,685	28,125
Sundry debtors and prepayments	124,100	137,306
VAT	58,872	84,418
	<u>412,317</u>	<u>443,768</u>

Debtor balances are shown net of provisions for bad or doubtful debts. Details of these provisions are given in note 11.

11 Provisions

The Authority maintains the following provisions for bad or doubtful debts:

	2015 £	2014 £
Ratepayers	14,601	12,901
Housing rents	22,766	27,425
Sundry debtors and prepayments	21,182	27,471
	<u>58,549</u>	<u>67,797</u>

These provisions are included within the debtors in note 10.

Onchan District Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2015)

12 Creditors

	2015 £	2014 £
Government departments	51,965	18,715
Other local authorities	19,087	21,044
Ratepayers	23,519	49,105
Housing rents	77,136	50,520
Sundry creditors and accruals	354,715	488,012
	<u>526,422</u>	<u>627,396</u>

13 Reserves

Capital reserves and accounts

	Revaluation Reserve £	Capital Adjustment account £
Balance at 1 April 2014	40,572,064	1,150,179
Net surplus/(deficit) for year	—	—
Revaluations	2,950,149	—
Appropriations (to)/from revenue	—	(1,212,181)
Capital expenditure	—	—
Depreciation	(447,212)	447,212
	<u>43,075,001</u>	<u>385,210</u>
Balance at 31 March 2015		

Revenue reserves

	Pensions reserve £	General fund £	Earmarked reserves £
Balance at 1 April 2014	(3,182,000)	812,184	19,386
Net surplus for year	—	(89,047)	—
Appropriations (to)/from revenue	(131,000)	—	629
Capital expenditure	—	—	—
Actuarial gains/(losses) from pensions	(814,000)	—	—
	<u>(4,127,000)</u>	<u>723,137</u>	<u>20,015</u>
Balance at 31 March 2015			

	Housing maintenance reserve £	EPH maintenance reserve £	Community facilities fund £	EPH heating reserve £
Balance at 1 April 2014	680,130	3,603	18,834	36,626
Net surplus for year	—	—	—	—
Appropriations (to)/from revenue	88,061	(83,652)	1,335	57
Capital expenditure	—	—	—	—
Transfers	(83,652)	83,652	—	—
	<u>684,539</u>	<u>3,603</u>	<u>20,169</u>	<u>36,683</u>
Balance at 31 March 2015				

Onchan District Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2015)

13 Reserves (continued)

Earmarked reserves comprise:

The following earmarked reserves and their movement in the year are detailed below:

	Balance at 1 April 2014	Receipts in year	Expenditure in year	Balance at 31 March 2015
	£	£	£	£
Office equipment fund	10,209	11	—	10,220
Crosh Pobble fund	520	1	—	521
Community centre	763	—	—	763
Equipment replacement fund	364	—	—	364
Youth development fund	1,336	645	(34)	1,947
Lady Taverners' playground fund	6,194	6	—	6,200
	<u>19,386</u>	<u>663</u>	<u>(34)</u>	<u>20,015</u>

14 Analysis of net assets employed

	2015 £	2014 £
General Fund	4,317,757	4,565,177
Housing revenue account	36,503,600	35,545,829
	<u>40,821,357</u>	<u>40,111,006</u>

15 Borrowings

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

	2015 £	2014 £
Analysis of loans by type:		
Commercial loans	16,025,049	16,726,768
Total	<u>16,025,049</u>	<u>16,726,768</u>
Analysis of loans by maturity:		
Less than 1 year	734,632	701,741
Between 1 and 2 years	775,348	734,538
Between 2 and 5 years	2,293,388	2,284,994
Between 5 and 10 years	4,069,266	4,050,897
More than 10 years	8,152,415	8,954,598
Total outstanding	<u>16,025,049</u>	<u>16,726,768</u>

The outstanding loans are secured by a letter of comfort from the Isle of Man Treasury and are repayable over periods between 10 and 28 years. The interest charged on these loans is between 1.75% and 6.56%.

Since the year end the variable loans and overdraft have been converted into new variable loans.

Onchan District Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2015)

16 Members' allowances

During 2014/15 the Authority paid £2,625 to its Members in respect of their attendance at meetings, undertaking duties and responsibilities (2014: £5,280).

17 Employees' remuneration

The number of employees whose remuneration, excluding pension contributions, was £50,000 or more in bands of £25,000 was:

Remuneration Band	Total	2015 Number of Employees	Total	2014 Number of Employees
		Leavers in year		Leavers in year
£50,000 – £74,999	2	–	2	–

18 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.

The Authority received housing deficiency grants from the Department of Social Care, and was also reimbursed for Road Sweeping by the Department of Infrastructure and for Drainage expenditure by the Isle of Man Water and Sewerage Authority.

All Members 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 – no related party disclosures arose in relation to members, other than the allowances detailed in note 16.

19 Audit fees

During 2014/15 the Authority incurred the following fees relating to external audit and inspection:

	2015 £	2014 £
Fees payable with regard to external audit services carried out by the appointed auditor		
• For the current year	10,500	10,650
• For previous years	–	1,534

20 Total rateable value

The total rateable value at the year end was £792,167 (2014: £789,562) and rates were levied at 290p (2014: 275p) in the £.

Onchan District Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2015)

21 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.

22 Gross rent income

Gross rent income is the total rent due for the year after voids, write-offs, refunds etc. Voids represent 1.9% of the maximum rent for the year (2014 – 1.4%).

23 Housing deficiency grant

Housing deficiency grant is paid from central government to meet the shortfall which might be incurred by the Authority. The amount of deficiency receivable is shown as follows:

	2015 £	2014 £
Elderly Persons Housing	309,916	304,419
	<u>309,916</u>	<u>304,419</u>

24 Rent arrears

	2015 £	2014 £
Rent arrears (excluding provision for doubtful debts)	48,451	55,551
Rent arrears as a percentage of gross rent income	<u>2.1%</u>	<u>2.6%</u>

Arrears written off during the year amounted to £0 (£0 in 2014).

Onchan District Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2015)

25 Pensions

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

During the financial year the cost of pensions contributions 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 2015 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 2015 % per annum	31 March 2014 % per annum	31 March 2013 % per annum
Rate of increase in salaries	3.8%	4.1%	5.1%
Rate of increase in pensions	2.4%	2.8%	2.8%
Expected return on assets	3.2%	5.8%	5.0%
Rate for discounting scheme liabilities	3.2%	4.3%	4.5%

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 actuary has also adopted a set of demographic assumptions that are consistent with those used for the pension scheme at the last triennial valuation on 31 March 2014. The actuary used this valuation as the basis for the calculations.

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

	31 March 2015 £	31 March 2014 £
Estimated employer assets	6,970,000	6,196,000
Present value of scheme liabilities	(11,097,000)	(9,378,000)
Net pensions asset/(liability)	<u>(4,127,000)</u>	<u>(3,182,000)</u>

Onchan District Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2015)

25 Pensions (continued)

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

	2015 £	2014 £
Net cost of service		
Current service cost	288,000	242,000
Net operating expenditure	<u>288,000</u>	<u>242,000</u>
Pension interest cost & expected return on pension assets		
Expected return on employer assets	(357,000)	(267,000)
Interest on pension scheme liabilities	403,000	332,000
	<u>46,000</u>	<u>65,000</u>
Amounts to be met from government grants and taxation	<u><u>334,000</u></u>	<u><u>307,000</u></u>

The net deficit on the scheme has increased from £3,182,000 to £4,127,000. An analysis of the movement during the year is shown below:

	2015 £	2014 £
Net pension liability at the beginning of the year	(3,182,000)	(2,032,000)
Current service cost	(288,000)	(242,000)
Employer contributions	203,000	216,000
Interest cost	(403,000)	(332,000)
Expected return on employer assets	357,000	267,000
Actuarial gains/(losses)	(814,000)	(1,059,000)
Net pension liability at the end of the year	<u><u>(4,127,000)</u></u>	<u><u>(3,182,000)</u></u>

The split of the fair value of the employer assets as at 31 March 2015 is shown below. The asset values are at bid value as required under the SORP.

	Long term expected rate of return 2015	2015 £	Long term expected rate of return 2014	2014 £	Long term expected rate of return 2013	2013 £
Fair value of employer assets						
Equities	3.2%	4,600,000	6.6%	4,151,000	5.7%	3,776,000
Bonds	3.2%	1,255,000	3.5%	1,115,000	2.9%	1,064,000
Properties	3.2%	906,000	4.8%	744,000	3.9%	425,000
Cash	3.2%	209,000	3.7%	186,000	3.0%	53,000
Total		<u><u>6,970,000</u></u>		<u><u>6,196,000</u></u>		<u><u>5,318,000</u></u>

Onchan District Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2015)

25 Pensions (continued)

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	2014	2013	2012	2011
	Actuarial gain/(loss) as % of assets/ liabilities	Actuarial gain/(loss) as % of assets/ liabilities	Actuarial gain/(loss) as % of assets/ liabilities	Actuarial gain/(loss) as % of assets/ liabilities	Actuarial gain/(loss) as % of assets/ liabilities
	£	£	£	£	£
Value of assets at end of year	6,970,000	6,196,000	5,318,000	4,577,000	4,426,000
	-11.7%	-17.1%	-5.7%	-1.8%	18.2%
Difference between the expected and actual return on assets	494,000	96,000	347,000	(236,000)	24,000
Total present value of liabilities	11,097,000	9,378,000	7,350,000	6,256,000	5,998,000
	-7.3%	-11.3%	-4.1%	-1.3%	13.5%
Experience losses on liabilities					
Actuarial gains/(losses) recognised in the statement of total recognised gains and losses	(814,000)	(1,059,000)	(302,000)	(82,000)	807,000

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 2015 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.

Onchan District Commissioners

Detailed Income and Expenditure Account

for the year ended 31 March 2015

	2015 £	2015 £	2014 £	2014 £
Finance and general purposes				
Employment costs	722,045		666,532	
Establishment costs	156,726		74,584	
Operating costs	77,757		72,350	
Legal, professional and bank costs	32,646		26,640	
Vehicle costs	3,611		4,149	
Policy and general costs	15,711		15,246	
	<hr/>	(1,008,496)	<hr/>	(859,501)
Administrative recoveries	109,619		109,647	
Building Regulation fees, Search fees, commissions, miscellaneous	58,165		94,511	
	<hr/>	167,784	<hr/>	204,158
		<hr/>		<hr/>
		(840,712)		(655,343)
		<hr/>		<hr/>

Onchan District Commissioners

Detailed Income and Expenditure Account (continued)

for the year ended 31 March 2015

	2015 £	2015 £	2014 £	2014 £
Works and cleansing				
<i>Street lighting, seats and signs</i>				
Establishment costs	44,455		43,529	
Operating costs	106,792		112,063	
	<u>(151,247)</u>		<u>(155,592)</u>	
Income	—		—	
	<u>—</u>		<u>—</u>	
		(151,247)		(155,592)
<i>Miscellaneous land and properties</i>				
Establishment costs	164,455		106,516	
	<u>(164,455)</u>		<u>(106,516)</u>	
Commercial rents	143,186		138,178	
Garage rents	81,147		80,438	
	<u>224,333</u>		<u>218,616</u>	
		59,878		112,100
<i>Refuse collection</i>				
Employment costs	225,251		254,070	
Establishment costs	58,802		68,683	
Operating costs	412,953		312,175	
Vehicle costs	105,236		86,766	
	<u>(802,242)</u>		<u>(721,694)</u>	
Income	78,670		68,714	
	<u>78,670</u>		<u>68,714</u>	
		(723,572)		(652,980)
		<u>(814,941)</u>		<u>(696,472)</u>

Onchan District Commissioners

Detailed Income and Expenditure Account (continued)

for the year ended 31 March 2015

	2015 £	2015 £	2014 £	2014 £
Leisure and amenities				
<i>Library</i>				
Employment costs	88,043		80,908	
Establishment costs	20,864		20,727	
Operating costs	18,302		20,661	
	<u>(127,209)</u>		<u>(122,296)</u>	
Income	<u>2,624</u>	(124,585)	<u>2,425</u>	(119,871)
<i>Parks, glens, open spaces etc</i>				
Employment costs	256,417		252,976	
Establishment costs	261,448		230,442	
Operating costs	64,762		71,035	
Vehicle costs	8,588		10,837	
	<u>(591,215)</u>		<u>(565,290)</u>	
Income from attractions and events	56,041		53,454	
Sundry Income	438		350	
	<u>56,479</u>	(534,736)	<u>53,804</u>	(511,486)
<i>Youth and community centre</i>				
Employment costs	7,184		7,200	
Establishment costs	34,622		27,279	
Operating costs	288		315	
	<u>(42,094)</u>		<u>(34,794)</u>	
Income	<u>21,529</u>		<u>22,867</u>	
	<u>21,529</u>	(20,565)	<u>22,867</u>	(11,927)
		<u>(679,886)</u>		<u>(643,284)</u>

Onchan District Commissioners

Detailed Income and Expenditure Account (continued)

for the year ended 31 March 2015

	2015 £	2015 £	2014 £	2014 £
Government Assisted				
<i>Sewers and Pumping Station</i>				
Government reimbursement	76,488		81,143	
	<u>76,488</u>		<u>81,143</u>	
		76,488		81,143
<i>Road Sweeping</i>				
Employment costs	24,687		23,962	
Operating costs	11,413		3,787	
	<u>(36,100)</u>		<u>(27,749)</u>	
Government reimbursement	35,000		32,600	
	<u>35,000</u>		<u>32,600</u>	
		(1,100)		4,851
		<u>75,388</u>		<u>85,994</u>