

Arbory Parish Commissioners

Statement of Accounts

For the year ended 31 March 2016

Arbory Parish Commissioners

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Arbory Parish Commissioners

Explanatory Foreword

Introduction

This Statement provides a summary of the Authority's financial performance for the year ended 31 March 2016. It has been prepared in accordance with the Isle of Man Statement of Recommended Practice 2007 on accounting for entities subject to the Audit Act 2006.

The individual accounts within the Statement are as follows:

The **Income and Expenditure Account** reports the net cost for the year of all functions for which the Authority is responsible and how those costs are financed from general government grants and income from local ratepayers.

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.

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.

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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
- Miscellaneous income

The income and expenditure account for the year shows a deficit of £3,409 (2015: £1,741 surplus). Once the other movements on the general fund have been taken into account, as detailed below, the results show an overall decrease in the General Fund Balance of £6,578 (2015: decrease £720) compared to a budgeted decrease of £6,450 (2015: decrease of £5,275).

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, the inclusion of capital repayments on loans and capital expenditure, which are met by the general fund.

Capital Expenditure

Total capital expenditure in the year was £1,558 (2015: £51,569).

Investments and Borrowing

The Authority borrowed £nil (2015: £nil) during the year to finance capital projects. In respect of existing borrowings, the authority paid £3,059 (2015: £3,256) in interest during the year.

Rate Funds

The general rate income due and collected by the Authority is shown in the General Rate Fund. Rates were levied at 113p in the £ on a rateable value of £150,009 during the year (2015: 105p on rateable value of £148,205). The arrears for the year reflects 1.18% (2015: 0.84%) of the gross rates levied.

Reserves

The Authority has decreased its general reserves from £56,419 at 31 March 2015 to £49,841 at 31 March 2016. 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.

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Statement of Accounting Policies

Basis of preparation

These financial statements have been prepared under the historical cost convention 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. Capital expenditure incurred on fixed assets that does not materially add to the value of those assets is written off. Operational assets are those used by the Authority in the delivery of services or in pursuit of its strategic or service objectives.

Valuations

Operational assets are reported at historical costs, which has been used as a proxy for valuation. As inflation is low, prices will not vary significantly over the estimated life of the assets. 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.

Depreciation

Depreciation is provided on all assets with a finite useful life, other than freehold land. 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.

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. Impairment reviews are carried out on all assets, other than non-depreciable land, where no depreciation charge is made or the estimated remaining useful life of the asset exceeds 50 years.

Disposals

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

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Statement of Accounting Policies (continued)

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 and charges due from customers 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 income and expenditure accounts, whether of a capital or revenue nature, only to the extent that it is irrecoverable.

Overheads

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

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Statement of Accounting Policies (continued)

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

Sinking Fund: Provision for repayment of bond liabilities is on the basis of sinking fund calculations with an annual accumulation currently set at 4%. Repayments are accounted for through the Statement of Movements on the General Fund Balance, whilst interest on the balance of principal outstanding is charged to the Income and Expenditure Account.

The following reserves are not fully backed by cash, or 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.

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Statement of Responsibilities for the Statement of Accounts

The Authority's responsibilities

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs through the appointment of a Responsible Financial Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- approve the Statement of Accounts.

The Responsible Financial Officer's responsibilities

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

In preparing this Statement of Accounts, the Responsible Financial Officer 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 Financial Statements, 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 2016.

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Statement of Internal Control

Introduction

Regulation 8 of the Accounts and Audit Regulations 2007 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 Arbory Parish Commissioners to the Isle of Man Government Treasury.

Under section 7(1)(b) of the Accounts and Audit Regulations 2013, as Arbory Parish Commissioners have gross income and gross expenditure less than £200,000 they are not required to have an internal audit function.

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 Responsible Financial 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 Financial Officer puts 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 four 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 supports the strategy and policy approved by the Board.

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Statement of Internal Control (continued)

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 31 March 2016.

(Signed) _____

(Chairman)

(Dated) _____

Signed _____

(Responsible Financial Officer)

Dated _____

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Independent Chartered Accountant's Review Report To The Commissioners of the Arbory Parish Commissioners

Report on the Financial Statements

We have reviewed the accompanying financial statements of Arbory Parish Commissioners for the year ended 31 March 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 fund and the related notes for the year ended 31 March 2016. The financial reporting framework that has been applied in their preparation is applicable law and the Statement of Recommended Practice 2007: Accounting for entities subject to the Audit Act 2006.

Responsible Financial Officer's Responsibility for the Financial Statements

As explained more fully in the Statement of Responsibilities, 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.

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 year ended 31 March 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:

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Income and Expenditure Account

for the year ended 31 March 2016

Statement of net expenditure	Gross expenditure £	Income £	2015/16 Net (Expenditure)/ income £	2014/15 Net (Expenditure) / Income £
Continuing operations:				
Finance and general purposes	(25,369)	1,727	(23,642)	(23,099)
Works and development	(36,302)	750	(35,552)	(20,246)
Refuse	(105,546)	2,292	(103,254)	(100,105)
Provision for Bad & Doubtful Debt (written back)	-	120	120	(70)
Net (cost) of General Fund services	(167,217)	4,889	(162,328)	(143,520)
Interest payable and similar charges			(3,059)	(3,256)
Interest & investment income			2	-
Net operating expenditure			(165,385)	(146,776)
Sources of finance				
Income from the General Rate Fund			161,976	148,517
Net surplus for the year			(3,409)	1,741

The notes on pages 17 to 22 form part of these financial statements.

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Statement of the Movement on the General Fund Balance

for the year ended 31 March 2016

	2015/16	2014/15
	£	£
Surplus for the year on the income and expenditure account	(3,409)	1,741
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 of fixed assets	Note 1 4,495	4,369
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		
Capital expenditure charged in year to General Fund	(1,558)	-
Loans funds principal repayments	(5,904)	(6,638)
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 Sinking Fund Reserve	(202)	(192)
	(6,578)	(720)
General Fund Balance brought forward	56,419	57,139
General Fund Balance carried forward	49,841	56,419

The notes on pages 17 to 22 form part of these financial statements.

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Statement of Total Recognised Gains and Losses

for the year ended 31 March 2016

	2014/15	2014/15
	£	£
Surplus /(deficit) on the income and expenditure account for the year	(3,409)	1,741
Older gains and losses	-	-
Total recognised gains / (loss) for the year	<u>(3,409)</u>	<u>1,741</u>

The notes on pages 17 to 22 form part of these financial statements.

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Balance Sheet

as at 31 March 2016

	Notes	2016	2015
		£	£
Fixed assets			
Operational Assets:			
• Building improvements	1	100,461	101,400
• Other plant & equipment	1	198	-
Infrastructure assets	1	-	-
Community assets	1	8,429	10,625
		<u>109,088</u>	<u>112,025</u>
Current assets			
Debtors	7	11,203	9,281
Cash at bank	8	54,774	62,748
		<u>65,977</u>	<u>72,029</u>
Capital Current assets			
Sinking Fund – cash at bank		4,195	3,993
		<u>4,195</u>	<u>3,993</u>
Current liabilities			
Short-term borrowing – Bank Loan & Bonds <1yr		16,775	69,154
Creditors	9	8,841	8,316
		<u>25,616</u>	<u>77,470</u>
Net current assets		<u>44,556</u>	<u>(1,448)</u>
		153,644	110,577
Long-term liabilities			
Long-term borrowing - Bank Loan >1 yr	11	80,691	34,216
		<u>80,691</u>	<u>34,216</u>
Total assets less liabilities		<u>72,953</u>	<u>76,361</u>
Financed by:			
Capital adjustment account	10	18,916	15,949
Sinking Fund	10	4,196	3,993
General fund	10	49,841	56,419
		<u>72,953</u>	<u>76,361</u>

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

Chairman

RFO

The notes on pages 17 to 22 form part of these financial statements.

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Cash Flow Statement

for the year ended 31 March 2016

Revenue activities	Notes	2015/16 £	2015/16 £	2014/15 £
Cash outflows				
Cash paid to and on behalf of employees		(8,527)		(8,252)
Other operating cash payments		(151,193)		(138,757)
			(159,720)	(147,009)
Cash inflows				
Goods and services		3,349		7,793
Rate receipts		160,838		160,671
			164,187	168,464
Net cash inflow from revenue activities	1		<u>4,467</u>	<u>21,455</u>
Returns on Investments and servicing of finance				
Cash outflows				
Interest paid		(3,073)		(3,154)
			(3,073)	(3,154)
Cash inflows				
Interest received		1		-
			1	-
Net servicing of finance			<u>(3,072)</u>	<u>(3,154)</u>
Capital activities				
Cash outflows				
Purchase of fixed assets		(3,263)		(49,864)
			(3,263)	(49,864)
Net cash inflow (outflow) before financing	3		<u>(1,409)</u>	<u>(31,563)</u>
Financing				
Cash outflows				
Repayments of amounts borrowed		(5,904)		(6,637)
			(5,904)	(6,637)
Cash inflows				
New loans raised		-		-
			-	-
			(5,904)	(6,637)
Net increase (decrease) in cash	3		<u>(7,772)</u>	<u>(38,200)</u>

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Notes to the Cash Flow Statement

for the year ended 31 March 2016

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

	2015/16 £	2014/15 £
Net (deficit) for the year	(3,409)	1741
Depreciation & Impairment	4,495	4,369
Interest paid	3,059	3,258
Interest received	(1)	(2)
Decrease/(increase) in debtors	(1,922)	13,507
Increase (decrease) in creditors	2,245	(1,418)
	<hr/>	<hr/>
Net cash inflow from revenue activities	<u>4,467</u>	<u>21,455</u>

2. Reconciliation of the movement in net funding

	2015/16 £	2014/15 £
Net funds at 1 April	(36,629)	(5,066)
Movement in net debt:		
Increase/(Decrease) in cash in the period	(7,772)	(38,200)
Inflow/Outflow from increase in debt financing	6,104	6,831
	<hr/>	<hr/>
Transfer to Sinking Fund Reserve	(200)	(194)
Net funds at 31 March	<u>(38,497)</u>	<u>(36,629)</u>

3. Reconciliation of financing and management of liquid resources

	Balance at 1 April 2015 £	Cash movement £	Non cash movement £	Balance at 31 March 2016 £
Cash in hand	66,741	(7,772)	-	58,969
Net debt:				
Due within one year	(69,154)	5,904	46,475	(16,775)
Due after one year	(34,216)	-	(46,475)	(80,691)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net funds	<u>(36,629)</u>	<u>(1,868)</u>	<u>-</u>	<u>(38,497)</u>

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General Rate Fund

as at 31 March 2016

	2016 £	2016 £	2015 £	2015 £
Total rates levied for the year		168,561		155,242
<i>Add:</i>				
Due from Treasury re prior year	1,056		12,924	
Arrears brought forward	2,573		2,789	
		3,629		15,713
<i>Less:</i>				
Discounts	(6,268)		(5,929)	
Exempt and unoccupied properties	(371)		(600)	
Write offs by Treasury	54		(196)	
Collection fee	(2,214)		(2,087)	
		(8,799)		(8,812)
Total rates collectable		163,391		162,143
Rates received in the year:				
Current year rates	156,214		144,270	
Arrears collected	1,473		1,319	
Balance from/(to) Treasury re previous year	1,056		12,924	
Total rates received in the year		158,743		158,513
Balances outstanding carried forward:				
Due (to)/from Treasury re current year	1,501		1,057	
Arrears – current year	1,993		1,299	
– previous years	1,154		1,274	
		4,648		3,630
		163,391		162,143

The notes on pages 17 to 22 form part of these financial statements.

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Notes

(forming part of the financial statements for the year ended 31 March 2016)

1 Tangible fixed assets

	Infrastructure assets	Community Assets	Operational - Buildings improvements	Operational - Playground equipment	Operational - Other equipment	Total
	£	£	£		£	£
Cost						
At 1 April 2015	47,094	21,958	108,686	16,011	1,665	195,414
Additions in year	-	-	1,261	-	297	1,558
Disposals in year	-	-	-	-	-	-
31 March 2016	<u>47,094</u>	<u>21,958</u>	<u>109,947</u>	<u>16,011</u>	<u>1,962</u>	<u>196,972</u>
Depreciation						
At 1 April 2015	47,094	11,333	7,286	16,011	1,665	83,389
Charge for the year	-	2,196	2,200	-	99	4,495
Deprn on disposals	-	-	-	-	-	-
At 31 March 2016	<u>47,094</u>	<u>13,529</u>	<u>9,486</u>	<u>16,011</u>	<u>1,764</u>	<u>87,884</u>
Net book value						
At 31 March 2016	<u>-</u>	<u>8,429</u>	<u>100,461</u>	<u>-</u>	<u>198</u>	<u>109,088</u>
At 31 March 2015	<u>-</u>	<u>10,625</u>	<u>101,400</u>	<u>-</u>	<u>-</u>	<u>112,025</u>

2 Valuation of fixed assets

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

Operational assets	Infrastructure assets	Community Assets	Operational - Buildings improvements	Operational - Playground equipment	Operational - Other equipment	Total
	£	£	£			£
Valued at historical cost net of depreciation	-	8,429	100,461	-	198	109,088
	<u>-</u>	<u>8,429</u>	<u>100,461</u>	<u>-</u>	<u>198</u>	<u>109,088</u>

The Authority has reviewed the values of assets in these categories of assets during 2015/16 and there were not considered to be any material changes in the value of the assets arising from impairment or other causes.

The Arbory Parish Hall, Hall Cottages and Halley MacLiag are owned by the "Commissioners of the Parish District of Arbory" in their capacity as Trustee of the "Clague Cool and Briscoe Trust." They are not assets of Arbory Parish Commissioners and are therefore not included in these financial statements. Arbory Parish Commissioners are permitted to use rate monies for the upkeep of the halls and cottages.

During 2009 Arbory Parish Commissioners obtained approval to take out a loan in respect of the replacement of the roof on the parish hall and hall cottages. During 2013 Arbory Parish Commissioners obtained approval to take out a loan in respect of the provision of a new toilet block. These

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improvements and loans are included in the balance sheet of Arbory Parish Commissioners, and the loan interest is charged to the income and expenditure account.

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2016)

3 Depreciation methodologies

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

Streetlights & play equipment	5 yrs
Allotments	10 yrs
Buildings improvements	50 yrs
Plant & Equipment	3 yrs

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

4 Assets held

	Number at 31 March 2015	Changes 2015/16	Number at 31 March 2016
Operational Assets Building Improvements - Parish Hall roof & new toilets block	1	0	1
Community Assets – Allotments	1	0	1
- Notice boards	2	0	2
Operational Assets - Play Area	1	0	1
Operational Assets – Other Equip	3	0	
3			
Infrastructure Assets – Streetlights	183	0	
183			

5 Capital expenditure and financing

	2015/16 £	2014/15 £
Capital investment		
Operational assets	1,558	51,569
	<u>1,558</u>	<u>51,569</u>
Sources of finance		
Revenue provision	1,558	-
Bank loan	-	51,569
	<u>1,558</u>	<u>51,569</u>

6 Capital commitments

Manx Utilities - new streetlight fittings - £2,223

Arbory Parish Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2016)

7 Debtors

	2016 £	2015 £
Debtors:		
Amounts falling due in one year (net of bad debt provisions):		
Government departments	1,501	1,056
VAT	5,836	4,296
Ratepayers	1,993	1,299
Other	1,873	2,630
	<u>11,203</u>	<u>9,281</u>

The above Ratepayers debtor is shown net of a Bad Debt Provision of £1,154 (2015: £1,274)

8 Cash

The cash in hand figure at 31 March 2016 was £54,774 (2015: £62,748). 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 to 16. In addition Sinking Fund cash of £4,195 (2015: £3,993) is held.

9 Creditors

	2016 £	2015 £
IOM Government including Manx Utilities	3,415	4,601
Sundry creditors and accruals	5,427	3,715
	<u>8,842</u>	<u>8,316</u>

Arbory Parish Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2016)

10 Reserves

Capital reserves and accounts

	Capital Adjustment account £
Balance at 1 April 2015	15,949
Depreciation	(4,495)
Capital repayments	5,904
Capital expenditure financed by General Fund	1,558
	<hr/>
Balance at 31 March 2016	18,916
	<hr/> <hr/>

Revenue reserves

	General fund £
Balance at 1 April 2015	56,419
Net deficit for year	(6,578)
	<hr/>
Balance at 31 March 2016	49,841
	<hr/> <hr/>

	Sinking fund £
Balance at 1 April 2015	3,993
Net surplus for year	203
	<hr/>
Balance at 31 March 2016	4,196
	<hr/> <hr/>

Notes (continued)

Arbory Parish Commissioners

(forming part of the financial statements for the year ended 31 March 2016)

11 Long term borrowing

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

	2016 £	2015 £
Analysis of loans by type:		
Commercial loan	80,691	34,216
Total	<u>80,691</u>	<u>34,216</u>
Analysis of loans by maturity:		
Between 1 and 2 years	6,934	3,103
Between 2 and 5 years	21,805	10,276
Between 5 and 10 years	35,422	20,837
More than 10 years	16,530	-
Total outstanding	<u>80,691</u>	<u>34,216</u>

The Commercial loan originally represented two loans from the Isle of Man Bank, secured by a Letter of Comfort provided by Treasury. Loan A - £50,000 drawn February 2010, repayable over 15 years, and originally bearing interest at 4.88% pa fixed. (Balance 31 March 2015 £37,181, 31 March 2014 £40,007). In December 2011, following the lowering of the Standard & Poors sovereign rating for the Isle of Man from AAA to AA+, Isle of Man Bank amended the interest rate on Loan A to 0.65% per annum above the bank's base rate. Loan B - £60,000, drawn February 2013, repayable over 15 years and bearing interest at a variable rate of 3 months Libor plus 1.25%. Loan B (Balance 31 March 2015 £56,189) as at 31 March 2015 was in process of being transferred from Isle of Man Bank to HSBC and, pending completion of documentation by Government Treasury, remained with Isle of Man Bank Ltd on one month rollover. This balance was therefore not included in the above maturity analysis as at 31 March 2015. Loan B was transferred to HSBC on 7 August 2015, repayable over 15 years at a variable interest rate of LIBOR +1.20bps, secured by a Letter of Comfort provided by IOM Government Treasury. Bonds repayable by Sinking Fund over 60 years from 1975, totalling £10,000, (March 2015: £10,000), are outstanding. Bonds have been included within current liabilities as they are renewed annually by the bond holders.

12 Post balance sheet events

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

13 Members' allowances

During 2015/16 the Authority paid £252 to its Members in respect of their attendance at meetings, undertaking duties and responsibilities (2014/15: £174).

14 Employees' remuneration

The authority has no employees whose remuneration, excluding pension contributions, was £50,000 or more.

Arbory Parish Commissioners

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2016)

15 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. The authority reclaimed VAT from Treasury during the year, there were no other material transactions with Central Government.

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.

16 Assurance Review fee

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

	2015/16 £	2014/15 £
Fees payable with regard to external assurance review	1,400	1,400

17 Total rateable value

The total rateable value at the year end was £150,009 and rates were levied at 113p in the £.

18 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.

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.

19 Investments

The Authority has representation on the board of the Southern Civic Amenity Site ('the Board'), a Joint Board established under the Southern Civic Amenity Board Order 2000, in accordance with section 7 of the Local Government Act 1985. The Board comprises representative members from various southern local authorities whereby each representative member has access to the rewards, and exposure to the associated risks, arising from the operation of the Board. The Board is managed jointly by its representative members, with no single member having control or the right to exercise dominant or significant influence. Accordingly the Authority's interest in the Board is considered to be an 'Investment' as defined by the SORP. The Authority, together with the other representative members, fund the Board to the extent necessary to maintain its operations, but have made no capital contribution to the Board and therefore the investment is recorded at nil value.

Arbory Parish Commissioners

Detailed Income and Expenditure Account

for the year ended 31 March 2016

	£	2016 £	£	2015 £
Finance and general purposes				
Clerk's salary & employers NI	8,527		8,252	
Rate collection charges	2,214		2,087	
Assurance review fee / audit fee	1,400		1,400	
Swimming pool contributions	3,714		3,717	
Bank charges	263		232	
General expenses	5,498		4,771	
Library contribution	1,050		1,050	
Insurance	1,750		1,253	
Members attendance allowances	252		174	
Depreciation	99		-	
Professional fees – risk advisor/legal	570		270	
Election costs	32		-	
	<u> </u>	(25,369)	<u> </u>	(24,399)
Search fees	1,500		1,150	
Other income	227		150	
	<u> </u>	1,727	<u> </u>	1,300
		<u>(23,642)</u>		<u>(23,099)</u>
Works and Development				
Depreciation	2,200		2,173	
Community assets	3,146		7,718	
Depreciation - community assets	2,196		2,196	
Streetlighting	11,851		12,434	
Highway works	16,859		-	
Allotments costs	50		50	
	<u> </u>	(36,302)	<u> </u>	(24,571)
Allotments income	750			1,300
Grass cutting income	-			3,025
		<u>750</u>		<u>4,325</u>
		<u>(35,552)</u>		<u>(20,246)</u>

This page does not form part of the reviewed accounts

Arbory Parish Commissioners

Detailed Income and Expenditure Account (continued)

for the year ended 31 March 2016

	£	2016 £	£	2015 £
Refuse				
Refuse disposal	44,230		42,497	
Refuse collection charges	32,238		31,996	
Civic amenity site contribution	26,803		26,891	
Purchase of wheelie bins & other	2,275		688	
	<hr/>		<hr/>	
		(105,546)		(102,072)
Commercial refuse charges	1,714		1,779	
Sale of wheelie bins	578		188	
	<hr/>		<hr/>	
		2,292		1,967
		<hr/>		<hr/>
		(103,254)		(100,105)
		<hr/> <hr/>		<hr/> <hr/>

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