

**Southern Civic Amenity Site Board**  
**Report and statement of accounts**  
**31 March 2016**

# **Southern Civic Amenity Site Board**

## **Report and statement of accounts**

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## **Southern Civic Amenity Site Board**

### **Board Information**

<b>Committee members</b>	D. Cain M. Cringle	(Rushen) (Arbory)	(Chair)
	P. Hill Heaton G. Power A. Grace G. Kelly	(Castletown) (Port Erin) (Port St Mary) (Malew)	
<b>Clerk</b>	A. Hamilton		
<b>Address</b>	Southern Civic Amenity Site Board Castletown Road Port St Mary Isle of Man IM9 6BD		
<b>Independent examiner</b>	Grant Thornton Limited Third Floor 54-62 Athol Street Douglas Isle of Man IM99 2BE		
<b>Bankers</b>	Isle of Man Bank Limited 2 Athol Street Douglas Isle of Man IM99 1AN		

# Southern Civic Amenity Site Board

## Explanatory foreword

### Introduction

This statement provides a summary of the board'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 board is responsible and how those costs are financed from general government grants and from revenue receipts from operating the site and interest receivable on bank deposits.

The result for the year is a deficit of £49,524 compared to a deficit of £25,511 for the year ended 31 March 2015.

The financial statements have been prepared on a going concern basis. This financial year saw a period of change for the operations of the Site which incurred significant additional costs. This together with a marked fall in the value of recyclables and hence income, resulted in a deficit for the year of £41,911 and left a general fund balance of only £6,590. However for 2016/2017 there has been a fall in the costs of refuse disposal for the Site, at the Energy for Waste Plant and together with other savings generated, it is anticipated that the Site will see a return to profitability.

The **statement of movement on the general fund balance** shows the surplus or deficit on the income and expenditure account adjusted for additional amounts which are required by statute and non-statutory proper practices to be charged or credited to the income and expenditure account in determining the movement on that account for the year.

The balance on the general fund has decreased by £41,911 during the year compared to a decrease of £16,174 for the year ended 31 March 2015. This leaves a general fund balance as at 31 March 2016 of £6,590 (2015: £48,501).

The **statement of total recognised gains and losses** shows all gains and losses recognised by the board 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 board at the end of the year

The **cash flow statement** summarises the inflows and outflows of cash arising from the board's transactions with third parties and with government during the year.

## Southern Civic Amenity Site Board

### Statement of responsibilities for the statement of accounts

#### ***The board's responsibilities:***

- 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 site's 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 the statement of accounts the responsible financial officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgments and estimates that are 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.

We certify that the financial statements set out on pages 7 to 22 fairly present the financial position of the board as at 31 March 2016 and of its income and expenditure for the year ending on that date.

Chairman



13/10/2016

Responsible financial officer

## **Southern Civic Amenity Site Board**

### **Statement of Internal control**

#### **Introduction**

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

This statement is made by the board 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 control strategy, policy and key financial and operational matters within the site. In addition it is the board's responsibility to ensure that the work of the responsible financial officer supports the strategy and policy approved by the board.

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

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

In discharging this responsibility, the board work with senior officers to put in place arrangements for the governance of the site's affairs and the stewardship of resources, in accordance with the code.

#### **Internal control and corporate governance environment**

The site'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.

##### ***- the site's corporate governance framework***

A corporate governance framework has been developed which documents the site'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 and 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 site's internal control and corporate governance environment.

##### ***- board meetings***

The board meets monthly and consists of a chairman and five other members. The board receives reports from the site's officer on operational matters and ensure that the work of the responsible financial officer supports the strategy and policy approved by the board.

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

The effectiveness of the site's internal control and corporate governance arrangements is continually assessed by the work of management and the board.

An internal audit of financial areas and risks was undertaken in the year. Its function was to examine the adequacy of the internal control procedures in operation, test a selection of transactions for validity, authorisation and recording in the books of accounts and to provide recommendations on identified lapses/ deviations to seek improvements to internal controls.

## Southern Civic Amenity Site Board

### Statement of internal control (cont'd)

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

The internal auditors carried out a review of the operations of the Board for the year ended 31 March 2016. This highlighted the lack of a formal risk assessment procedure as a high risk observation. The Clerk has met with the Board to discuss the detailed findings of the report with a view to implementing, where practical, the key recommendations of the Internal Auditor.

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 site's internal control and corporate governance arrangements are adequate and operated effectively during the year ended 31 March 2016.

Chairman



13/10 2016

# **INDEPENDENT CHARTERED ACCOUNTANT'S REVIEW REPORT TO THE MEMBERS OF SOUTHERN CIVIC AMENITY SITE BOARD**

## **Report on the Financial Statements**

We have reviewed the accompanying financial statements of Southern Civic Amenity Site Board 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 and the related notes for the year then 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 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). 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*

**Grant Thornton Limited  
Chartered Accountants**

Douglas, Isle of Man

Date: 25 October 2016



## Southern Civic Amenity Site Board

### Income and expenditure account for the year ended 31 March 2016

<b>Income</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Parish contributions	237,172	237,237
Commercial users	25,429	24,848
Domestic users	3,988	3,969
Soil conditioner	7,379	2,589
Battery income	1,555	1,482
Miscellaneous	11,276	10,360
Metal disposal income	12,469	16,114
	<b>299,268</b>	<b>296,599</b>
<b>Expenses</b>		
Wages and salaries	68,944	72,486
Refuse collection charge	81,560	58,771
Contractors charge	35,054	16,757
Skip hire	34,933	26,916
ITIP and national insurance	16,622	20,138
Rent	17,651	17,651
Pension contributions (including current service cost)	15,869	22,635
Vehicle expenses	9,422	6,409
Repairs and site maintenance	2,740	3,850
Administration expenses	3,488	2,797
Management charge – Port St Mary	19,200	11,000
Insurance	6,517	5,544
Weighbridge lease and maintenance	1,249	1,289
Compost pad costs and other disposal costs	12,316	25,863
Legal and professional costs	-	629
Members expenses	1,020	1,010
Miscellaneous expenses	4,652	3,705
Telephone and electricity	1,508	1,109
Bad debts	174	(857)
Rates	341	624
Staff training	1,244	284
Accountancy fees	4,050	1,412
Internal audit fees	2,000	-
Independent examination	1,300	3,530
Depreciation	5,408	16,225
	<b>347,262</b>	<b>319,777</b>
<b>Net cost of services</b>	<b>(47,994)</b>	<b>(23,178)</b>
Pension interest cost	<b>(1,000)</b>	<b>(2,000)</b>
	<b>(48,994)</b>	<b>(25,178)</b>
<b>Other income</b>		
Interest receivable	4	17
Interest element of finance lease rentals	<b>(534)</b>	<b>(350)</b>
<b>Deficit for the year</b>	<b>(49,524)</b>	<b>(25,511)</b>

*The accompanying notes on pages 16 to 22 form an integral part of these financial statements*

## Southern Civic Amenity Site Board

### Statement of movement on the general fund balance for the year ended 31 March 2016

	2016	2015
	£	£
<b>Deficit for the year on the income and expenditure account</b>	<b>(49,254)</b>	<b>(25,511)</b>
Net additional amounts required by statute and non-statutory proper practices to be debited or credited to the general fund balance for the year:		
Excess of employer pension contributions over pensions cost under FRS 17	8,000	6,000
Depreciation for current year transferred to capital adjustment account	5,408	16,225
Amounts not included in the income and expenditure account but required to be included by statute when determining the movement on the general fund balance for the year:		
Finance lease repayments	(5,795)	(12,888)
<b>Movement for the year</b>	<b>(41,911)</b>	<b>(16,174)</b>
General fund balance brought forward	48,501	64,675
<b>General fund balance carried forward</b>	<b>6,590</b>	<b>48,501</b>

*The accompanying notes on pages 16 to 22 form an integral part of these financial statements*

## Southern Civic Amenity Site Board

### Statement of total recognised gains and losses for the year ended 31 March 2016

	<b>Notes</b>	<b>2016</b> £	<b>2015</b> £
Deficit for the financial year		<b>(49,524)</b>	(25,511)
Other recognised gains and losses		<b>5</b>	(5)
Actuarial gains/(losses) on pension scheme	<b>8</b>	<b>40,000</b>	(36,000)
Total recognised gains and losses related to the year		<b><u>(9,519)</u></b>	<b><u>(61,516)</u></b>

*The accompanying notes on pages 16 to 22 form an integral part of these financial statements*

## Southern Civic Amenity Site Board

### Balance sheet as at 31 March 2016

	Notes	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	1		44,300		5,408
Current assets					
Debtors	2	29,153		20,098	
Short term deposits		17,130		17,125	
Cash at bank and in hand		29,475		71,579	
		<u>75,758</u>		<u>108,802</u>	
<b>Creditors: amounts falling due within one year</b>	3	<u>(64,844)</u>		<u>(45,829)</u>	
<b>Net current assets</b>			<b>10,914</b>		<b>62,973</b>
<b>Total assets less current liabilities</b>			<b><u>55,214</u></b>		<b><u>68,381</u></b>
<b>Creditors: amounts falling due after more than one year:</b>					
Obligations under finance leases	4		(28,352)		-
Pension liability	8		(95,000)		(127,000)
<b>Net assets</b>			<b><u>(68,138)</u></b>		<b><u>(58,619)</u></b>
<b>Financed by:</b>					
Capital adjustment account	5		1,772		1,380
Capital receipts account	6		18,500		18,500
General fund reserve	7		6,590		48,501
Pension reserve	9		(95,000)		(127,000)
			<b><u>(68,138)</u></b>		<b><u>(58,619)</u></b>

The accounts were approved and authorised for issue by the board on 13/10/2016 and were signed on their behalf by

Chairman

Clerk

The accompanying notes on pages 16 to 22 form an integral part of these financial statements

## Southern Civic Amenity Site Board

### Cash flow statement for the year ended 31 March 2016

Revenue activities	Notes	2016 £	2015 £
<b>Cash outflows</b>			
Cash paid to and on behalf of employees		(96,441)	(111,258)
Other operating cash payments		(235,579)	(166,156)
		<u>(332,020)</u>	<u>(277,414)</u>
<b>Cash inflows</b>			
Parish contributions		237,172	237,237
Cash received for goods and services		59,063	51,986
		<u>296,235</u>	<u>289,223</u>
<b>Net cash (outflow)/inflow from revenue activities</b>	1	<b>(35,785)</b>	11,809
<b>Returns on investments and servicing of finance</b>			
<b>Cash outflows</b>			
Interest element of finance lease rentals		(534)	(350)
<b>Cash inflows</b>			
Interest received		5	17
<b>Capital activities</b>			
Purchase of fixed assets		(44,300)	-
<b>Net cash (outflow)/inflow before financing</b>		<u>(80,614)</u>	11,476
<b>Management of liquid resources</b>			
Increase in short term deposits		5	(19)
<b>Financing</b>			
Finance leases taken out in year		42,528	-
Capital element of finance lease rentals		(4,023)	(12,888)
<b>Net decrease in cash</b>	2	<u>(42,104)</u>	<u>(1,431)</u>

*The accompanying notes on pages 12 to 22 form an integral part of these financial statements*

# Southern Civic Amenity Site Board

## Notes to the cash flow statement for the year ended 31 March 2016

	2016 £	2015 £	
<b>1 Reconciliation of net deficit to cash inflow from revenue activities</b>			
Net deficit for the year on general fund	(49,524)	(25,511)	
Depreciation	5,408	16,225	
FRS 17 pension charge	8,000	6,000	
Interest receivable	(4)	(17)	
Interest element of finance lease rentals	534	350	
Increase in debtors	(9,055)	(7,376)	
Increase in creditors	8,856	22,138	
Net cash (outflow)/inflow from revenue activities	<u>(35,785)</u>	<u>11,809</u>	
	2016 £	2015 £	
<b>2 Net decrease in cash</b>			
Opening cash and bank balances	71,579	73,010	
Closing cash and bank balances	29,475	71,579	
Movement in year	<u>(42,104)</u>	<u>(1,431)</u>	
<b>3 Reconciliation of financing and management of liquid resources</b>			
	Balance at 1 April 2015 £	Cash movement £	Balance at 31 March 2016 £
Cash at bank and in hand	71,579	(42,104)	29,475
Short term deposits	17,125	5	17,130
Finance leases	(4,023)	(38,505)	(42,528)
Total net funds	<u>84,681</u>	<u>(80,604)</u>	<u>4,077</u>

## Southern Civic Amenity Site Board

### Statement of accounting policies for the year ended 31 March 2016

#### Basis of preparation

The financial statements have been prepared on a going concern basis. This financial year saw a period of change for the operations of the Site which incurred significant additional costs. This together with a marked fall in the value of recyclables and hence income, resulted in a deficit for the year of £41,911 and left a general fund balance of only £6,590. However for 2016/2017 there has been a fall in the costs of refuse disposal for the Site, at the Energy for Waste Plant and together with other savings generated, it is anticipated that the Site will see a return to profitability.

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 of fixed assets has been capitalised on an accruals basis. Where such expenditure is less than a de minimis limit of £2,000 it is not capitalised but is charged to the income and expenditure account in the year in which it is incurred.

Operational assets are those used by the board in the delivery of services or in pursuit of its strategic or service objectives.

##### ***Depreciation***

Depreciation is provided on all assets with a finite useful life. Where depreciation is provided for, assets are being depreciated by applying the straight line method to balance sheet values over periods reflecting the estimate useful lives of the assets concerned. Depreciation has been provided at the following rates:

Computer equipment	33.3%
Plant & machinery	25%
Assets held under finance leases	33.3%

## **Southern Civic Amenity Site Board**

### **Statement of accounting policies for the year ended 31 March 2016**

#### ***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over the term of the contract. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

#### ***Pensions***

Pension arrangements for board employees are handled by the Local Government Pension Scheme, which is a funded, defined benefit scheme. The accounting policies of the scheme are those recommended by the Statement of Recommended Practice 2007 and its annual accounts are prepared in accordance with the pensions SORP. The pension cost has been assessed by the scheme's actuary based on triennial valuations, the 2015/16 contributions being based on the results of the review as at 31 March 2013. These contributions are charged to the accounts in accordance with statutory requirements.

The financial statements have been prepared on the basis that:

- the assets and liabilities arising from an employer's retirement benefit obligations and any related funding are reflected at fair value
- the operating costs of providing retirement benefits to employees are recognised in the accounting period in which the benefits are earned by the employees
- the related finance costs and any other changes in value of the assets and liabilities of the scheme are recognised in the period in which they arise
- the accounts contain adequate disclosure of the cost of providing retirement benefits and the related gains, losses, assets and liabilities.

#### ***Impairment***

The value at which each category of fixed assets is included in the balance sheet is reviewed at the end of each accounting period. Where values have changed materially in the period, the valuations are adjusted to reflect the change. Where a major change in asset values is due to a consumption of economic benefits (such as physical damage), the impairment loss is recognised in the income and expenditure account. Other impairments are recognised in a revaluation reserve. During the current year no impairment adjustment has been made.

#### ***Accruals of income and expenditure***

The accounts of the site 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.

#### ***Provisions***

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

#### ***Contingent assets and liabilities***

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

#### ***Government grants***

Government grants are accounted for on an accruals basis and income has been credited to the appropriate revenue account to match the expenditure to which they relate.



## **Southern Civic Amenity Site Board**

### **Statement of accounting policies for the year ended 31 March 2016**

#### ***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 notes. 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. These principles apply up to the date when the accounts are authorised for issue.

#### ***Going concern***

The financial statements have been prepared on a going concern basis, on the understanding that the Committee members believe that deficits will be eliminated in coming years as a result of reductions in overall operating costs and an increase in the level of parish contributions.

#### ***Reserves***

The board maintains the following reserves:

**General fund reserve:** 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.

The following reserves have been established in accordance with the capital accounting provisions. They are not fully backed by cash, nor generally available to finance expenditure:

**Pension reserve:** a non-cash backed reserve to reconcile the amounts charged to the income and expenditure account in accordance with the SORP with the contributions made to the pension scheme in accordance with the scheme regulations.

**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.

## Southern Civic Amenity Site Board

### Notes to the accounts for the year ended 31 March 2016

#### 1 Fixed assets

Operational assets	Computer equipment £	Plant & machinery £	Total £
<b>Cost</b>			
At 1 April 2015	1,230	50,230	51,460
Additions	-	44,300	44,300
At 31 March 2016	<u>1,230</u>	<u>94,530</u>	<u>95,760</u>
<b>Depreciation</b>			
At 1 April 2015	1,230	44,822	46,052
Charge for the year	-	5,408	5,408
At 31 March 2016	<u>1,230</u>	<u>50,230</u>	<u>51,460</u>
<b>Net book value</b>			
At 31 March 2016	<u>-</u>	<u>44,300</u>	<u>44,300</u>
At 31 March 2015	<u>-</u>	<u>5,408</u>	<u>5,408</u>

The board holds the following values of assets under finance leases, accounted for as part of tangible fixed assets as follows:

	Plant & machinery £
Net book value at 1 April 2015	5,408
Additions	44,300
Depreciation	(5,408)
Net book value at 31 March 2016	<u>44,300</u>

Outstanding obligations to make payments under these leases (excluding finance costs) at 31 March 2016 are detailed in notes 3 and 4 below.

2 Debtors	2016 £	2015 £
Trade debtors	11,083	8,234
Other debtors	18,070	11,864
	<u>29,153</u>	<u>20,098</u>

Debtors are shown net of provisions for bad and doubtful debts. Provisions against trade debtors are £174 (2015: £Nil).

3 Creditors: amounts falling due within one year	2016 £	2015 £
Obligations under finance leases	14,176	4,023
Trade creditors	32,232	26,100
Other creditors	18,436	15,706
	<u>64,844</u>	<u>45,829</u>

## Southern Civic Amenity Site Board

### Notes to the accounts for the year ended 31 March 2016

<b>4 Creditors: amounts falling due after one year</b>	<b>2016</b>	<b>2015</b>
	£	£
Obligations under finance leases	<b>28,352</b>	-
<b>5 Capital adjustment account</b>	<b>2016</b>	<b>2015</b>
	£	£
At 1 April 2015	<b>1,380</b>	4,722
Depreciation transferred from general fund reserve	<b>(5,408)</b>	(16,225)
Finance lease repayments	<b>4,023</b>	12,888
Other adjustment	<b>5</b>	(5)
Assets purchased from revenue funds	<b>1,772</b>	-
At 31 March 2016	<b>1,772</b>	1,380
<b>6 Capital receipts account</b>	<b>2016</b>	<b>2015</b>
	£	£
At 31 March	<b>18,500</b>	18,500
<b>7 General fund reserve</b>	<b>2016</b>	<b>2015</b>
	£	£
At 1 April 2015	<b>48,501</b>	64,675
Deficit for the year	<b>(49,524)</b>	(25,511)
Transfer to pension reserve	<b>8,000</b>	6,000
Transfer to capital adjustment account in respect of depreciation for current year	<b>5,408</b>	16,225
Finance lease repayments	<b>(4,023)</b>	(12,888)
Assets purchased from revenue funds	<b>(1,772)</b>	-
At 31 March 2016	<b>6,590</b>	48,501

## Southern Civic Amenity Site Board

### Notes to the accounts for the year ended 31 March 2016

#### 8 Pension reserve

The pension reserve is a non-cash backed reserve introduced to reconcile the amounts charged to the income and expenditure account in accordance with the SORP with the contributions made to the scheme by the board in accordance with the pension scheme regulations. Where the contributions made for the year do not match the change in the board's recognised pension liability, the difference is represented by an appropriation to or from the pension reserve, which equals the net change in the pensions liability recognised in the income and expenditure account.

	2016 £	2015 £
At 1 April 2015	(127,000)	(85,000)
Actuarial gains/(losses)	40,000	(36,000)
Transfer from income and expenditure account	(8,000)	(6,000)
At 31 March 2016	<u>(95,000)</u>	<u>(127,000)</u>

#### 9 Pensions

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

During the financial year the cost of pension contributions has been charged to the income and expenditure account. The board must also disclose its share of the assets and liabilities related to the scheme for its employees. The assets and liabilities of the scheme as at 31 March 2016 were valued by the fund's actuaries Hymans Robertson LLP, using the projected unit method, which assesses the future liabilities of the scheme discounted to their present value. The main financial assumptions used in the calculations are:

#### Assumptions

	2016 %	2015 %
Rate of inflation	2.2	2.5
Rate of increase in salaries	3.7	3.9
Expected investment return on assets	3.6	4.8
Rate for discounting scheme liabilities	3.6	3.3

## Southern Civic Amenity Site Board

### Notes to the accounts for the year ended 31 March 2016

The breakdown of the expected return on assets by category is as follows:

	<b>2016</b>	2015
	%	%
Equities	<b>5.7</b>	5.7
Bonds	<b>2.6</b>	2.5
Property	<b>3.8</b>	3.9
Cash	<b>2.5</b>	2.6

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 Pension Scheme Accounts.

The fair value of the assets and liabilities held by the board within the scheme are as follows:

	<b>2016</b>	2015
	£	£
Estimated employer assets	<b>203,000</b>	193,000
Present value of scheme liabilities	<b>(298,000)</b>	(320,000)
Total value of liabilities	<b>(95,000)</b>	(127,000)

The breakdown of the fair value of employer assets is as follows:

	<b>2016</b>	2015
	£	£
Equities	<b>116,000</b>	127,000
Bonds	<b>55,000</b>	35,000
Property	<b>32,000</b>	25,000
Cash	-	6,000
	<b>203,000</b>	193,000

## Southern Civic Amenity Site Board

### Notes to the accounts for the year ended 31 March 2016

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

	<b>2016</b>	2015
	£	£
<i>Net cost of service</i>		
Current service cost	<b>17,000</b>	16,000
Interest on pension scheme liabilities	<b>11,000</b>	11,000
Expected return on employer assets	<b>(10,000)</b>	(9,000)
Total	<b>18,000</b>	18,000
Actual return on plan assets	<b>(1,000)</b>	23,000

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:

	£	<b>2016</b>	£	2015
		<b>Actuarial</b>		Actuarial
		<b>gain/loss</b>		gain/loss
		<b>as % of</b>		as % of
		<b>assets/</b>		assets/
		<b>liabilities</b>		Liabilities
Value of assets at year end	<b>203,000</b>		193,000	
Total present value of liabilities	<b>(298,000)</b>		(320,000)	
Difference between the actual and expected return on assets	<b>11,000</b>	<b>5.4</b>	14,000	7.3
Actuarial gains/(losses) recognised in the statement	<b>40,000</b>	<b>13.4</b>	(36,000)	11.2

The net deficit on the scheme has increased as analysed below:

	<b>2016</b>	2015
	£	£
Net pension liability at the beginning of the year	<b>(127,000)</b>	(85,000)
Current service cost	<b>(17,000)</b>	(16,000)
Interest cost	<b>(11,000)</b>	(11,000)
Employer contribution	<b>10,000</b>	12,000
Expected return on employer assets	<b>10,000</b>	9,000
Actuarial gains/(losses)	<b>40,000</b>	(36,000)
Net pension liability at the end of the year	<b>(95,000)</b>	(127,000)

## **Southern Civic Amenity Site Board**

### **Notes to the accounts for the year ended 31 March 2016**

The above figures have been provided by the actuaries to the Isle of Man Government Superannuation Scheme using information provided by the scheme, and assumptions determined by the board in conjunction with the actuaries. 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 board's share of assets in the scheme and the value of the future pension payments to which it was committed at that date. These pension liabilities will be paid out over a period of many years, during which time the assets will continue to generate returns towards funding them. Any significant changes in the global equity markets after 1 April 2016 would also have an impact on the capital value of the pension fund assets.

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

The disclosure of pension costs in the income and expenditure account on pages 7 and 8 has been expanded to show more relevant information in comparison to previous years.

#### **10. Members' allowances**

During 2015/16 the board paid £1,020 to its members in respect of their attendance at meetings, undertaking duties and responsibilities (2014/15: £1,010)

<b>11 Independent examiners fees</b>	<b>2016</b>	<b>2015</b>
Fees payable with regard to external independent examination	<b>1,900</b>	2,280

#### **12 Related Parties**

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 board. Disclosure of these transactions allows readers to assess the extent to which the board 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 board.

Central government - has a direct influence over the general operations of the board - it is responsible for providing the statutory framework within which the board operates. Details of transactions with government departments are set out in note 8 to the cash flow statement.

Other local authorities contribute to the running of the site. During the year £237,172 (2015: £237,237) was received from local authorities.

All board members are asked to complete a disclosure statement in respect of themselves and their family members/close relatives detailing any material transactions with related parties.

## **Southern Civic Amenity Site Board**

**Notes to the accounts  
for the year ended 31 March 2016**

### **12 Related Parties - continued**

During the year, Southern Civic Amenity Site was charged £22,708 (2015: £11,000) in respect of administration charges and repairs by Port St Mary Commissioners. In addition Southern Civic Amenity Site Board paid £17,651 in respect of amenity site (2015: £17,651) to Port St Mary Commissioners. Port St Mary Commissioners have paid £26,064 (2015: £26,181) in respect of amenity site costs to Southern Civic Amenity Site Board for the year. There is a balance owing of £4,175 (2015: £3,840) to Port St Mary Commissioners in this respect.

Members of the board - have direct control over the board's financial and operating policies. During 2015/16 no related party disclosures arose in relation to members of the board other than those disclosed in note 10.