



Isle of Man
Government

Keillys Ellan Vannin

The Treasury

Statement of Recommended Practice 2007

Accounting for entities subject to the Audit Act 2006

Isle of Man Local Authority

Financial Statements

For the year ended 31 March 2008

April 2007

"Isle of Man Local Authority" pro forma financial statements

Guidance Notes

The pro forma financial statements for the "Isle of Man Local Authority" have been prepared on the basis of the classification and guidance included within the Isle of Man SORP.

These example financial statements are not a full interpretation of the SORP but are an example of the form and content of what would reasonably be expected to be produced by one of the larger Isle of Man Local Authorities following the guidance of the SORP.

This example does not purport to be a definitive set of financial statements and should not be relied upon to provide adequate disclosure where individual Authority or entity's circumstances may require additional disclosures.

A separate smaller entity pro forma has not been produced given the difficulty in constructing a meaningful small entity set of financial statements. Such a version might restrict the entity from adequately considering the SORP and from producing full and proper disclosure. Careful review of the current pro forma and the SORP should enable the Responsible Financial Officers to tailor their financial statements to the individual circumstances of each of their respective entities.

For example, if an entity does not have 'housing' or 'other rate funds' then the housing statements, other rate funds accounts, associated accounting policies and notes will be redundant and will not be required to be included.

It is assumed that the detailed income and expenditure account at the rear of the financial statements will be of a format not dissimilar to the previous receipts and payments account or general revenue account albeit under the SORP this will be constructed under the accruals accounting concept.

Where accounting policies are not applicable to the entity then these should be removed from the financial statements.

Similarly, any note disclosures which are not relevant to the entity should also be removed.

Isle of Man Local Authority

Financial statements

For the year ended 31 March 2008

Isle of Man Local Authority

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Isle of Man Local Authority

Explanatory Foreword

Introduction

This Statement provides a summary of the Authority's financial performance for the year ended 31 March 2008. 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 **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.

The **Other Rate Fund Accounts** show the transactions of the Authority as a charging authority in respect of other rate income (e.g. refuse rates)

Isle of Man Local Authority

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 with the exception of Authority housing which is contained within the Housing Revenue Income and Expenditure Account.

Net expenditure is met from the following sources:

- Income from the General Rate Fund
- Government grants

[Include commentary on over/under spend during the year.....]

Movement on the General Fund Balance

The movement on the General Fund Balance is related to [.....]

Housing Revenue Account

The Housing Revenue Account shows the income and expenditure on Authority housing. The financial year 2007/08 resulted in an under/overspend of XXXX on the estimate.

The under/overspend relates largely to [.....]

Capital Expenditure

Total capital expenditure in the year was XXXX and is analysed as follows:

[Graph showing HRA, Environment, IT, Other]

Financing was provided and analysed as follows:

[Graph to show Grants and contributions, Capital receipts, Revenue, Finance leasing, Borrowing]

General Rate Fund

The general rate income due and collected by the Authority is shown in the General Rate Fund. Rates were levied at XXXp in the £ on a rateable value of £XXXXXX during the year. Rates arrears were XXX and amounts recovered were XXX. This reflects [.....]

Other Rate Fund Accounts

Other rate income comprised income from [Refuse/ other] rates and was levied at XXXp in the £ on a rateable value of £XXXXXX during the year. Rates arrears were XXX and amounts recovered were XXX showing [.....]

Isle of Man Local Authority

Explanatory Foreword (continued)

Investments and Borrowing

During the year external investments were made as follows: [.....]

The Authority borrowed £XXXX during the year to finance programmes as follows: [.....]

Reserves

The Authority has been able to increase its general reserves from £XXXX at 31 March 2007 to £XXXX at 31 March 2008. This has been achieved through a combination of planned contributions and an 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.

Isle of Man Local Authority

Statement of Accounting Policies

Basis of preparation

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of [certain] land and buildings/certain assets as at 31 March 200X, 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 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 2006 as representing proper accounting practices. Key principles are set out below.

Intangible fixed assets

Intangible fixed assets are non-financial fixed assets that do not have physical substance but are identifiable and where future economic benefits are controlled by the Authority through custody or legal rights (eg software licences, patents, trademarks). Purchased intangibles are capitalised at cost on an accruals basis; they are not revalued unless there is a readily ascertainable market value, but reviewed for impairment at the end of the first full financial year and where events or changes in circumstances indicate that carrying values may not be recoverable. Intangible assets are amortised to revenue on a systematic basis over their economic lives, not exceeding 20 years. Economic lives are reassessed at the end of each year and revised if necessary. The amortisation charges to revenue are made to the relevant service revenue account, support service account or trading account.

Tangible fixed assets

Recognition

Expenditure on the acquisition, creation or enhancement of fixed assets has been capitalised on an accruals basis. Where such expenditure on furniture and equipment is less than a de minimis level of £1,000 it is not capitalised but is charged to revenue in the year in which it is incurred. Capital expenditure incurred on fixed assets that does not materially add to the value of those assets is written off. Assets acquired under finance leases are capitalised and included in the balance sheet except for leases that are in secondary rental periods, where there are no future obligations of material significance. Assets obtained under operating leases are not included in the Balance Sheet; annual rentals are charged to revenue and transactions are disclosed as a note to the accounts. 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.

Valuations

Asset valuations have been carried out in accordance with guidelines established by [CIPFA and RICS]. 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, craft, plant and equipment, historic costs have been used as a proxy for these values; as inflation is low, prices will not vary significantly over the estimated life of the assets while the Authority depreciates them on a prudent basis using conservative estimates of working lives. As a consequence, the use of historic costs rather than values for these items will not result in a material difference in the Accounts. 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. Assets acquired under finance leases are held on the balance sheet at fair value, which represents a good approximation of the present value of the capital element of minimum lease payments. 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.

Isle of Man Local Authority

Statement of Accounting Policies (continued)

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. Assets acquired under finance leases are depreciated over the lease period if this is shorter than their estimated useful life.

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. 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.

Deferred charges

Deferred charges represent expenditure which may properly be deferred but does not result in, or remain matched with, assets controlled by the Authority (eg grants to organisations or individuals). These should be charged to revenue accounts over an appropriate period consistent with the consumption of economic benefits controlled by the Authority.

Deferred liabilities

Leases are recorded as finance leases when substantially all the risks and rewards relating to the leased asset transfer to the Authority. Rentals payable are apportioned between the cost of acquisition of the interest in the asset and finance cost which is charged to revenue. The liability is recognised in the balance sheet at the start of the lease and written down as rentals become payable. Further details of the treatment of leased assets are given in relevant sections of this statement.

Investments

Investments of reserved capital receipts, other reserves and temporary cash balances are shown at cost. Interest earned on these monies is disclosed separately in the Income and Expenditure Account. Interest is credited to the HRA based on its assumed debt and the level of its working balances; a statutory determination requires the use of the average rate earned on the Authority's investments.

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 or, in the case of capital grants, to a government grants deferred account. Amounts are released from the government grants deferred account to offset any amortisation charges charged to the revenue account in respect of intangible fixed assets to which the grants 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 ~~Local Government and the Environment.~~

Social Care

Isle of Man Local Authority

Statement of Accounting Policies (continued)

Repurchase of borrowing

Gains or losses arising on the repurchase or early settlement of borrowing are recognised in the Income and Expenditure Account in the periods during which the repurchase or early settlement is made. Where, however, the repurchase of borrowing was coupled with a refinancing or restructuring of borrowing with substantially the same overall economic effect when viewed as a whole, gains or losses are recognised over the life of the replacement borrowing.

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 are accounted for as income at the date the Authority provides the relevant goods or services
- Employee costs are charged as expenditure when they are due rather than paid, including any arrears of pay or pay awards
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as stocks on the balance sheet.
- Works are charged as expenditure when they are completed, before which they are carried as works in progress on the balance sheet.
- Interest payable and receivable on borrowings is accounted for in the 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.

Long-term contracts

Long-term contracts are accounted for on a basis consistent with the relevant Statement of Standard Accounting Practice and Financial Reporting Standard.

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.

Stock and work in progress

Stocks and work in progress have been valued at the lower of cost and net realisable value.

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.

Isle of Man Local Authority

Statement of Accounting Policies (continued)

Foreign currency translation

Income and expenditure arising from a transaction in foreign currency are translated into sterling at the exchange rate in operation on the date on which the transaction occurred. Where rates do not fluctuate significantly, an appropriate average rate is used as an approximation. Where a transaction is to be settled at a contracted rate, that rate is used. Monetary assets and liabilities held in a foreign currency at a balance sheet date are translated by using the closing rate or any fixed rate imposed by the relevant transactions.

Pension costs

Pension arrangements for Authority employees are handled by the Local Government Pension Scheme, which is a funded, defined benefit scheme. The Accounting Policies of the Fund are those recommended by the SORP and its annual reports are prepared in accordance with the Pensions SORP. The pension cost has been assessed by the Fund's actuary based on triennial valuations, the 200X/0X contributions being based on the results of the review as at 31 March 200X. 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(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.

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 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.

Revenue Funds for Capital Purposes: funds provided from revenue and earmarked for capital expenditure purposes.

IT Replacement Reserve: a reserve created to provide funds for the replacement of IT equipment and software.

General Fund Major Repairs Reserve: created in 2005/06 to fund major noncapitalisable repairs that would be difficult to finance from annual revenue budgets. A number of these and minor reserves have been wound down in 2005/06 in a rationalisation exercise.

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

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

Capital Adjustment Account: 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.

Isle of Man Local Authority

Statement of Accounting Policies (continued)

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.

Contingent assets and liabilities

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

Events after the balance sheet date

Post balance sheet events, whether favourable or unfavourable, that affect the conditions existing at the balance sheet date are adjusted in the Accounts and disclosures. For events occurring after the balance sheet date relating to conditions that arose after that date, adjustments are not made in the Accounts but details are disclosed in a note to the balance sheet. These principles apply up to the date when the Accounts are authorised for issue.

Isle of Man Local Authority

Statement of Responsibilities for the Statement of Accounts

The Authority's responsibilities

The Authority is required to:

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

The Responsible Financial Officer's responsibilities

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

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

We certify that the accounts set out on pages [] to [] of this Statement present fairly the financial position of the Authority at 31 March 2008 and its income and expenditure for the year ending on that date.

Isle of Man Local Authority

Statement of Internal Control

Introduction

Regulation 8 (2) (e) of the Accounts and Audit Regulations 2007 requires the bodies 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 in a format as directed by the Treasury.

This statement is made by the Isle of Man Local Authority to the Isle of Man Government Treasury in accordance with the requirements of the Isle of Man Government's Corporate Governance Principles and Code of Conduct ("the Code").

Responsibilities of the Board and the Responsible 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/ 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 [Board/ Responsible Financial Officer] works with senior officers to put in place arrangements for the governance of the Authority's affairs and the stewardship of resources, in accordance with the Code.

Internal control and corporate governance environment

The Authority's systems of internal control and corporate governance have been developed through an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The following are considered to be key aspects of the internal control and corporate governance environment:

- ***Authority's corporate governance framework***
A corporate governance framework has been developed which documents the Authority's policies and procedures in relation to community focus, performance management, internal control, risk management, delegated authority, human resources management, standards of conduct and management of Health & Safety and the environment. The framework provides a structure for documenting the legislation, regulations, policies, procedures and other internal controls which, when taken together, form the Authority's internal control and corporate governance environment.
- ***Board meetings***
The Board meets monthly and consists of a Chairman and X other Board members. The Board receive reports from the Authority's Officers on operational matters and ensure that the work of the Responsible Financial Officer and other senior officers supports the strategy and policy approved by the Board.

Isle of Man Local Authority

Statement of Internal Control (continued)

Review of internal control and corporate governance environment

The effectiveness of the Authority's internal control and corporate governance arrangements is continuously assessed by the work of management and the Board.

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

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, except for the matters listed below, the Authority's internal control and corporate governance arrangements are adequate and operate effectively during the period ended 31 March 2008.

The following improvements have been identified to address internal control weaknesses:

- [include improvements required to significant areas]

(Signed) _____

(Chairman)

(Dated) _____

Isle of Man Local Authority

Statement on the System of Internal Financial Control

This statement is given in respect of the statement of accounts for the Isle of Man Local Authority. I/We acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.

The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

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.

[Note: This paragraph relates to internal audit arrangements. The wording will need to be tailored to reflect the particular way in which internal audit services are provided, but the following areas are those which, as a minimum, should be covered

- a brief description of the internal audit arrangements
- confirmation that internal audit operates to defined standards. This might also include references to risk analyses and the reporting arrangements to, for example, the Audit Committee and the [Chief Executive] or responsible financial officer
- a note of the reporting arrangements undertaken by the chief internal auditor, and
- a note that the chief internal auditor provides an independent opinion on the adequacy and effectiveness of the system of internal financial control.]

My/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.

Isle of Man Local Authority

Statement on the System of Internal Financial Control (continued)

[This paragraph should provide either details of the action taken, or proposed, to correct significant identified weaknesses in the system of internal financial control, or an explanation of why corrective action is not considered necessary. The wording should be tailored to reflect the circumstances of the case.]

(Signed) _____

(Chairman/RFO)

(Dated) _____

Isle of Man Local Authority

Report of the Independent Auditors to Isle of Man Local Authority

[Insert audit report]

Isle of Man Local Authority

Income and Expenditure Account for the year ended 31 March 2008

Statement of net expenditure	<i>Notes</i>	Gross expenditure £	Income £	2007/08 Net expenditure £	2006/07 Net expenditure £
Continuing operations:					
Finance and general purposes					
Property					
Works and development					
Parks and leisure					
Refuse disposal					
Exceptional costs					
Net cost of General Fund services					
Housing Income and Expenditure Account					
Net cost of services					
Gain/loss on disposal of fixed assets					
Interest payable and similar charges					
Interest and investment income					
Extraordinary items					
Net operating expenditure					
Sources of finance					
Income from the General Rate Fund					
General government grants					
Net surplus/deficit for the year					

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

Isle of Man Local Authority

Statement of the Movement on the General Fund Balance for the year ended 31 March 2008

	<i>Notes</i>	2007/08	2006/07
		£	£
Surplus/deficit for the year on the income and expenditure account			
Net additional amounts required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year			
<i>For example:</i>			
Statutory provision for the repayment of debt		_____	_____
Transfers to/from earmarked reserves			
General Fund Balance brought forward			
General Fund Balance carried forward		=====	=====

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

Isle of Man Local Authority

Housing Revenue Income and Expenditure Account for the year ended 31 March 2008

	<i>Notes</i>	2007/08	2006/07
		£	£
Income			
Dwelling rents			
Charges for services and facilities			
Contributions towards expenditure including Housing Deficiency Payments			
Any other income			
		_____	_____
Total income			
Expenditure			
Repairs and maintenance			
Supervision and management			
Rents, rates, taxes and other charges			
Depreciation and impairment of fixed assets			
Debt management costs			
		_____	_____
Net cost of HRA services as included in the whole authority Income and Expenditure Account			
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			
HRA share of the operating income and expenditure included in the whole authority income and expenditure account			
Gain or loss on sale of HRA fixed assets			
Interest payable and similar charges			
Amortisation of premiums and discounts			
Interest and investment income			
		_____	_____
Surplus or deficit for the year on HRA services			

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

Isle of Man Local Authority

Statement of the Movement on the Housing Revenue Account Balance for the year ended 31 March 2008

	<i>Notes</i>	2007/08 £	2006/07 £
Surplus/deficit for the year on the HRA income and expenditure account			
Net additional amount required by statute and non-statutory proper practices to be debited or credited to the Housing Revenue Account Balance for the year (See SORP guidance)			
<i>For example:</i>			
Statutory provision for the repayment of debt			
Transfers to/from statutory housing reserve		_____	_____
Housing Revenue Account Balance brought forward			
Housing Revenue Account Balance carried forward		=====	=====

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

Isle of Man Local Authority

Statement of Total Recognised Gains and Losses for the year ended 31 March 2008

	<i>Notes</i>	2007/08 £	2006/07 £
Surplus/deficit on the income and expenditure account for the year			
Surplus or deficit arising on revaluation of fixed assets			
Actuarial gains and losses on pension fund assets and liabilities			
Any other gains and losses required to be included in the statement of total recognised gains and losses		_____	_____
Total recognised gains and losses for the year		=====	=====

(The cumulative effect on reserves of any prior period adjustments made during the period should be disclosed at the foot of the statement)

Isle of Man Local Authority

Balance Sheet

as at 31 March 2008

	<i>Notes</i>	2008 £	2007 £
Fixed assets			
Intangible assets			
Tangible fixed assets			
Operational assets			
- Dwellings			
- Other land and buildings			
- Vehicles, plant, furniture and equipment			
- Infrastructure assets			
- Community assets			
Non-operational assets			
- Investment properties			
- Assets under construction			
- Surplus assets, held for disposal			
Long-term investments			
Long-term debtors			
Deferred premiums on early repayment of debt			
Current assets			
Stocks and work in progress			
Debtors			
Investments			
Cash at bank			
Current liabilities			
Short-term borrowing			
Creditors			
Bank overdraft			
Long-term liabilities			
Long-term borrowing			
Deferred liabilities			
Grants deferred			
Deferred credits			
Deferred discounts on early repayment of debt			
Total assets less liabilities		_____	_____
		=====	=====

Isle of Man Local Authority

Balance Sheet (continued) as at 31 March 2008

	<i>Notes</i>	2008 £	2007 £
Financed by:			
Capital Receipts Reserve			
Revaluation reserve			
Capital adjustment account			
Pension reserve			
Housing revenue reserve			
Earmarked reserves			
General fund			
Housing revenue account			
General rate fund			
Other rate fund			
		<hr/>	<hr/>
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Authority on their behalf by:

and were signed on

Chairman

RFO

Isle of Man Local Authority

Cash Flow Statement for the year ended 31 March 2008

Revenue activities	<i>Notes</i>	2007/08	2006/07
		£	£
Cash outflows			
Cash paid to and on behalf of employees			
Other operating cash payments		_____	_____
Cash inflows			
Rents (after rebates)			
Tax receipts			
Rate receipts			
Revenue support grant			
Other government grants			
Cash received for goods and services			
Other operating cash receipts		_____	_____
Returns on Investments and servicing of finance			
Cash outflows			
Interest paid			
Interest element of finance lease rentals		_____	_____
<hr/>			
Cash inflows			
Interest received		_____	_____
Capital activities			
Cash outflows			
Purchase of fixed assets			
Purchase of long-term investments			
Other capital cash payments		_____	_____
Cash inflows			
Sale of fixed assets			
Capital grants received			
Other capital cash receipts		_____	_____
Net cash inflow/outflow before financing			

Isle of Man Local Authority

Cash flow statement (continued)

for the year ended 31 March 2008

	<i>Notes</i>	2007/08	2006/07
		£	£
Management of liquid resources			
Net increase/decrease in short term deposits			
Net increase/decrease in other liquid resources			
	_____		_____
Financing			
Cash outflows			
Repayments of amounts borrowed			
Capital element of finance lease rental payments			
	_____		_____
Cash inflows			
New loans raised			
New short term loans			
	_____		_____
Net increase/decrease in cash		=====	=====

Isle of Man Local Authority

Notes to the Cash Flow Statement

for the year ended 31 March 2008

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

	£	2007/08 £	2006/07 £
Net surplus/deficit for the year on general fund income and expenditure account			
Net surplus/deficit for the year on Housing revenue account balance			
General Rate Fund surplus/deficit			
Net surplus/deficit			
Depreciation			
Adjust for appropriations to reserves			
Direct revenue financing of capital expenditure			
Contribution from capital accounts			
(Increase)/decrease in debtors			
(Increase)/decrease in stock			
Increase/(decrease) in creditors			
Net cash inflow/outflow from revenue activities			

2. Reconciliation of the movement in net debt

	£	2007/08 £	2006/07 £
Net debt at 1 April			
Movement in net debt:			
Increase/decrease in cash in the period			
Inflow/outflow from increase/decrease in debt financing			
Inflow/outflow from movement in liquid resources			
Net debt at 31 March			

Isle of Man Local Authority

Notes to the Cash Flow Statement (continued) for the year ended 31 March 2008

3. Reconciliation of financing and management of liquid resources

	Balance at 1 April 2007 £	Cash movement £	Balance at 31 March 2008 £
Cash in hand			
Cash overdrawn			
Net debt:			
Due within one year			
Due after one year			
Short term investments			
Total net debt	_____	_____	_____

Further notes

4. An explanation of what the authority includes in liquid resources and any change in its policy.
5. Any further narrative or analysis that may assist in interpreting the Cash Flow Statement.
6. Analysis of government grants shown in the Cash Flow Statement.

Isle of Man Local Authority

General Rate Fund

as at 31 March 2008

	<i>Notes</i>		
		2008	2007
		£	£
Total rates levied for the year			
<i>Add:</i>			
Due from Treasury re prior year			
Arrears brought forward		_____	_____
<i>Less:</i>			
Discounts			
Exempt and unoccupied properties			
Refunds	_____		_____
Total rates collectable		_____	_____
		=====	=====
Rates received in the year:			
Current year rates			
Arrears collected			
Balance from Treasury re previous year			
Total rates received in the year		_____	_____
Balances outstanding carried forward:			
Due from Treasury re current year			
Arrears - current year			
- previous years	_____		_____
		_____	_____
		=====	=====

Isle of Man Local Authority

Other Rate Fund Accounts as at 31 March 2008

<i>Notes</i>	£	2008 £	£	2007 £
Total [] rates levied for the year				
<i>Add:</i>				
Due from Treasury re prior year				
Arrears brought forward				
<i>Less:</i>				
Discounts				
Exempt and unoccupied properties				
Refunds				
Total [] rates collectable				
[] rates received in the year:				
Current year [] rates				
Arrears collected				
Balance from Treasury re previous year				
Total [] rates received in the year				
Balances outstanding carried forward:				
Due from Treasury re current year				
Arrears - current year				
- previous years				

Isle of Man Local Authority

Notes

(forming part of the financial statements for the year ended 31 March 2008)

Tangible fixed assets

Operational assets	Dwellings £	Other land and buildings £	Vehicles, plant and equipment £	Infrastructure £	Community assets £	Total £
Gross valuation						
At 31 March 2007						
Additions in the year						
Disposals in the year						
Revaluations						
Transfers						
Impairments						
At 31 March 2008						
Depreciation						
At 31 March 2007						
Charge for the year						
Disposals in the year						
Transfers						
At 31 March 2008						
Net book value						
At 31 March 2008						
At 31 March 2007						

Isle of Man Local Authority

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2008)

Tangible fixed assets (continued)

Non-Operational assets	Surplus properties £	Assets under construction £	Investment properties £	Total £
Gross valuation				
At 31 March 2007				
Additions in the year				
Disposals in the year				
Impairments				
At 31 March 2008				
Depreciation				
At 31 March 2007				
Charge for the year				
Disposals in the year				
At 31 March 2008				
Net book value				
At 31 March 2008				
At 31 March 2007				

Valuation of fixed assets

The Authority plans to revalue its fixed assets every [five] years. Valuations have been carried out by XXXX, the Authority's valuer. The basis for valuation is set out in the statement of accounting policies. Assets have been valued as follows:

Operational assets	Dwellings £	Other land and buildings £	Vehicles, plant and equipment £	Infrastructure £	Community assets £	Total £
Valued at historical cost						
Valued at current value in use						
2003/04						
2004/05						
2005/06						
2006/07						
2007/08						

Isle of Man Local Authority

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2008)

Valuation of fixed assets (continued)

The Authority has reviewed the values of assets in these categories of assets during 2007/08: a number of assets were revalued as at 31 March 2008 and there were no material changes in the value of the remainder arising from impairment or other causes.

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:

		Years
Dwellings (incl. associated Housing Revenue Account assets)	Homes, Shops & Garages	50
Other Land and Buildings	Car Parks	20
	Temporary/Insubstantial Buildings	20
	Public Conveniences	30
	Other Buildings	50
Vehicles, Plant & Equipment	Vehicles, Wheeled Bins & IT Equipment	5
	Vessels, CCTV & Office Equipment/Furniture	10
Infrastructure Assets	Effluent Treatment Works, Flood Defences, Recycling Facilities	10
Community Assets	Playground Equipment	10
	Buildings	50
Non-Operational assets	Buildings	50

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

Isle of Man Local Authority

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2008)

Assets held

Operational assets	Number at 31 March 2007	Changes 2007/08	Number at 31 March 2008
Dwellings			
Standard dwellings			
Sheltered accommodation			
Other Land and Buildings			
Car parks			
Cemeteries			
Depots			
Public Conveniences			
Public Halls			
Public Offices			
Recreational properties			
Sports Centres			
Miscellaneous properties			
Vehicles, Plant and Equipment			
Vehicles			
Infrastructure Assets			
Community Assets			
Historic properties			
Parks and open spaces			
Non-Operational assets			
Commercial properties			
Retail properties			
Miscellaneous commercial			
Other properties			
Agricultural land			
Garages (general fund)			

Isle of Man Local Authority

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2008)

Intangible fixed assets

The Authority has acquired software licences shown as follows:

	£
Original cost prior to 1 April 2007	
Amortisations to 1 April 2007	
Balance at 1 April 2007	_____
Expenditure in year	
Disposals in year	
Transfers	
Amortisation to revenue	
Impairment losses	
Balance at 31 March 2008	=====

The costs of the licences are being written off to revenue on a straight line basis over their five-year life

Capital expenditure and financing

	2007/08	2006/07
	£	£
Capital investment		
Operational assets		
Non-operational assets		
Intangible fixed assets		
Deferred charges		
	_____	_____
	=====	=====
Sources of finance		
Capital receipts		
Grants and contributions		
Revenue provision		
Finance leasing		
	_____	_____
	=====	=====

Isle of Man Local Authority

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2008)

Capital commitments

The estimated commitments for capital expenditure that had started, or legal contracts entered into, by 31 March 2008 are listed below:

	31 March 2008 £	31 March 2007 £
Housing		
New public conveniences		
Drainage improvements		
Hall extension		
	<hr/>	<hr/>
	<hr/>	<hr/>

Deferred charges

Deferred charges represent expenditure which may properly be capitalised but which does not represent fixed assets. They are written out to revenue in the year they are incurred.

	2007/08 £	2006/07 £
Balance at 1 April		
Expenditure in year not resulting in tangible fixed assets:		
Housing grants		
Other grants		
	<hr/>	<hr/>
Amounts written off:		
Government grants		
General fund		
	<hr/>	<hr/>
Balance at 31 March	<hr/>	<hr/>

Isle of Man Local Authority

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2008)

Long term debtors

	Balance at 1 April 2007	Debts raised	Debts repaid	Balance at 31 March 2008
XXXX	_____	_____	_____	_____
XXXX	_____	_____	_____	_____
XXXX	_____	_____	_____	_____

Investments

The Authority employs a fund manager to manage its investments. Surplus cash is managed in house and is invested with public sector authorities, major clearing banks and building societies.

	Balance at 31 March 2007 £	Balance at 31 March 2008 £
Investment	_____	_____
Other investment	_____	_____
	=====	=====

Stocks and work in progress

	2008 £	2007 £
Work in progress	_____	_____
Stocks	_____	_____
- Stores	_____	_____
- Fuel	_____	_____
	=====	=====

Isle of Man Local Authority

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2008)

Debtors

	2008	2007
	£	£
Debtors:		
Amounts falling due in one year (net of bad debt provisions):		
Government departments		
Public authorities		
Other local authorities		
Ratepayers		
Housing rents		
Sundry debtors		
Prepayments:		
Central government		
Public authorities		
Other		
	_____	_____
	=====	=====

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

Cash

The cash in hand figure at 31 March 2008 was £XXXXX and represents X and Y. An analysis of the cash movements and the movement in net debt is provided in the cash flow statement and its notes on pages X to X.

Creditors

	2008	2007
	£	£
Central government		
Public authorities		
Ratepayers		
Housing rents		
Sundry creditors		
	_____	_____
	=====	=====

Isle of Man Local Authority

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2008)

Provisions

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

	2008 £	2007 £
Ratepayers	_____	_____
Housing rents	_____	_____
Sundry debtors	_____	_____
	=====	=====

Capital reserves and accounts

	Revaluation reserve	Capital Adjustment account	Usable Capital receipts	Housing Repairs reserve
Balance at 1 April 2007	_____	_____	_____	_____
Net surplus/(deficit) for year				
Transfers to/from other reserves				
HRA capital expenditure from repairs reserve				
Unrealised gains/losses from revaluation of fixed assets				
Balance at 31 March 2008	=====	=====	=====	=====

Revenue reserves

	Pensions reserve	General fund	Specific reserves	Housing revenue account
Balance at 1 April 2007	_____	_____	_____	_____
Net surplus/(deficit) for year				
Appropriations to/from revenue				
Actuarial gains/ losses from pensions				
Transfers to/from other reserves				
HRA capital expenditure from repairs reserve				
Balance at 31 March 2008	=====	=====	=====	=====

Isle of Man Local Authority

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2008)

Specific reserves comprise:	2008	2007
	£	£
Earmarked reserves	_____	_____
General rate fund	_____	_____
	=====	=====

Earmarked reserves

The types of reserves and their movement in the year are detailed below:

	Balance at 1 April 2007	Receipts in year	Expenditure in year	Balance at 31 March 2008
	£	£	£	£
XXXX reserve	_____	_____	_____	_____
XXXX reserve	_____	_____	_____	_____
XXXX reserve	_____	_____	_____	_____
	=====	=====	=====	=====

Analysis of net assets employed

	2008	2007
	£	£
General Fund	_____	_____
Housing revenue account	_____	_____
Other trading undertakings	_____	_____
	=====	=====

Isle of Man Local Authority

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2008)

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:

	2008 £	2007 £
Analysis of loans by type:		
Commercial loans		
Government loans		
Total		
Analysis of loans by maturity:		
Between 1 and 2 years		
Between 2 and 5 years		
Between 5 and 10 years		
More than 10 years		
Total outstanding		

Deferred liabilities / Finance leases

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

	Vehicles, plant and equipment £
Value at 1 April 2007	
Additions	
Revaluations	
Depreciation	
Disposals	
Value at 31 March 2008	

Outstanding obligations to make payments under these finance leases (excluding finance costs) at 31 March 2008, accounted for as deferred liabilities, are as follows:

	Vehicles, plant and equipment £
Obligations payable in 2008/09	
Obligations payable between 2009/10 and 2012/2013	
Obligations payable after 2012/13	

Isle of Man Local Authority

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2008)

Contingent assets and liabilities

[SORP definition as follows:

For each class of contingent liability and contingent asset, a brief description of its nature and, where practicable, an estimate of its financial effect and an indication of the uncertainties relating to the amount or timing and, for contingent liabilities, the possibility of any reimbursement.]

Post balance sheet events

Events may occur between the balance sheet date and the date the accounts are authorised for issue, which might have a bearing upon the financial statements. For the purposes of this note, the date that the statements are authorised for issue has been determined as the date that the statements were formally tabled before the members of the Authority for approval, ie, XX XXXX 2008, as this is the date from which the accounts will be publicly available.

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.

Operating leases

Vehicles, Plant and Equipment

The Authority holds various capital assets, principally vehicles, wheeled bins and printing equipment, under the terms of operating leases. The amount paid under these arrangements in 2007/08 was £XXXX. However the amount charged to revenue was £XXXX (£XXXX for 2006/07) because the invoices included prepayments. The SORP requires charges to be made evenly throughout the period of the lease.

Land and Buildings

The Authority leases office accommodation at XXXX. These leases are treated as operating leases and the total annual rental of £XXXX is included in service expenditure.

The Authority was committed at 31 March 2008 to making payments of £XXXX under operating leases in 2008/09, comprising the following elements:

	Other land and buildings £	Vehicles, plant and equipment £
Leases expiring 2008/09		
Leases expiring 2009/10 to 2012/13		
Leases expiring after 2012/13		
Total due 2008/09	_____	_____

Members' allowances

During 2007/08 the Authority paid £XXXX to its Members in respect of their attendance at meetings, undertaking duties and responsibilities (2006/07 £XXXX).

Isle of Man Local Authority

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2008)

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	2007/08		2006/07	
		Number of Employees		Number of Employees	
		Leavers in year	Total	Leavers in year	Total
£50,000 - £74,999					
£75,000 - £99,999					

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. Details of transactions with government departments are set out in Note 6 to the Cash Flow Statement.

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

Officers of the Authority - no related party disclosures arose in relation to officers.

Members of the Authority - have direct control over the Authority's financial and operating policies. During the year 2007/08 the following amounts were transacted with related parties:

- Payments of £XXXX were paid to companies that XX members had declared an interest in
- Grants totaling £XXXX were made to voluntary organisations in which XX members had an interest

The payments were made with proper consideration of declarations of interest. The relevant members did not take part in any discussion or decision relating to the payments.

Isle of Man Local Authority

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2008)

Audit fees

During 2007/08 the Authority incurred the following fees relating to external audit and inspection:

	2007/08	2006/07
	£	£
Fees payable with regard to external audit services carried out by the appointed auditor		
Fees payable in respect of any XXXX services provided by the appointed auditor		

Total rateable value

The total rateable value at the year end and rate multiplier for the year is to be disclosed

Statement of Movement on the General Fund Balance

An explanation of the significance of the Statement of Movement on the General Fund Balance for the year for local taxation and the resources available to fund the authority's services.

Isle of Man Local Authority

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2008)

Housing fixed assets

	Operational assets			Total operational assets £	Non- operational assets £	Total £
	Dwellings £	Garages £	Other £			
Gross valuation						
At 31 March 2007						
Additions in the year						
Revaluations in the year						
Disposals in the year						
Impairments						
At 31 March 2008						
Depreciation						
At 31 March 2007						
Charge for the year						
Disposals in the year						
At 31 March 2008						
Net book value						
At 31 March 2008	_____	_____	_____	_____	_____	_____
At 31 March 2007	=====	=====	=====	=====	=====	=====

Authority Dwellings are valued on a basis that reflects their use for social housing. The vacant possession value of dwellings at 1 April 2007 was £XXXX compared to the balance sheet value of £XXXX (comparative figures for 1 April 2006 were £XXXX and £XXXX respectively).

The difference in value at each date represents the economic cost to the Government of providing council housing at less than open market rents.

No charges for impairment were necessary in either 2004/05 or 2005/06.

Isle of Man Local Authority

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2008)

Housing stock

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

	2007/08 £	2006/07 £
Houses and bungalows		
Flats and maisonettes		
Other		
	<hr/>	<hr/>
	<hr/>	<hr/>

Changes in the housing stock are detailed below:

	2007/08 £	2006/07 £
Stock at 1 April 2007		
Additions		
Disposals		
Other adjustments		
	<hr/>	<hr/>
Stock at 31 March 2008	<hr/>	<hr/>

Rent arrears

Rent arrears amounted to X% of gross income:

	2007/08 £	2006/07 £
Rent arrears		
Rent arrears as a percentage of gross rent income	<hr/>	<hr/>

Arrears written off during the year amounted to £XXXX (£XXXX in 2006/07) and an increase/decrease of £XXXX (£XXXX in 2006/07) was made in the provision for bad and doubtful debts. As at 31 March 2008 the provision stood at £XXXX (£XXXX at 31 March 2007).

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 Local Government Pension Scheme administered by Douglas Borough Council in accordance with the Isle of Man Local Government Superannuation Scheme Regulations 2003. 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.

Isle of Man Local Authority

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2008)

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 200X were valued by the Fund's actuaries, XXXX, 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 2008 % per annum	31 March 2007 % per annum
Rate of inflation		
Rate of increase in salaries		
Rate of increase in pensions		
Rate for discounting scheme liabilities		

The assets in the Isle of Man Local Government Pension 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 Authority within the Scheme are as follows:

	31 March 2008 £	31 March 2007 £
Estimated employer assets		
Present value of scheme liabilities		
Present value of unfunded liabilities		
Total value of liabilities		
Net pensions' asset/liability		

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

	2007/08 £	2006/07 £
Net cost of service		
Current service cost		
Past service costs		
Curtailment costs		
Settlement costs		
Net operating expenditure		
Expected return on employer assets		
Interest on pension scheme liabilities		
Amounts to be met from government grants and taxation		
Movement on pension reserve		
Actual amount charged against rate income for LGPS contributions in the year		

Isle of Man Local Authority

Notes (continued)

(forming part of the financial statements for the year ended 31 March 2008)

The net deficit/surplus on the scheme has increased from £XXXX to £XXXX. An analysis of the movement during the year is shown below:

	2007/08	2006/07
	£	£
Net pension liability at the beginning of the year		
Current service cost		
Past service costs		
Employer contributions		
Contributions in respect of unfunded benefits		
Expected return on employer assets		
Actuarial gains/losses		
	_____	_____
Net pension liability at the end of the year	=====	=====

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:

	2007/08		2006/07
	£		£
	Actuarial gain/loss as % of assets/ liabilities		Actuarial gain/loss as % of assets/ liabilities
Value of assets at end of year			
Difference between the expected and actual return on assets			
Total present value of liabilities			
Experience losses on liabilities			
Actuarial gains/losses recognised in the statement			

The above figures have been provided by the actuaries to the Isle of Man Government Pension 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 200X would also have an impact on the capital value of the pension fund assets.

The current contribution rates aim to recover the above liabilities over the next XX years.

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

Isle of Man Local Authority

Detailed Income and Expenditure Account for the year ended 31 March 2008

	£	2008 £	£	2007 £
Finance and general purposes				
Salaries				
Pensions				
Printing and stationery				
Telephone				
Rent and rates				
Heat and light				
Insurance				
Audit fees				
Rate collection costs				
Advertising				
Bank charges				
Less:				
Bank interest				
Search fees				
Property				
Maintenance				
Insurance				
Legal costs				
Less:				
Rents received				
Works and development				
Car park maintenance				
Sewer maintenance				
Street lighting				
Less:				
Income from car park				
Government receipts				
Sewer connection fee				

