Michael District Commissioners

Financial Statements

For the year ended 31 March 2025

I certify that this is a true and fair view of the income and expenditure of the body for the year in question and the financial position of the body at the end of that year.

Signed: G O'Donnell

Dated: 03/08/2026

Contents

Members, Officers and Advisers
for the year ended 31 March 2025

Michael District Commissioners are situated at

Commissioner's Offices
Main Road
Kirk Michael
IM6 1EW

Members and officers

The members of the Authority for the year ended 31 March 2025 and to date:

Catriona Livingstone – Vice Chairman 2024 – 2025
Duncan Livingstone – Chairman 2024-2026
Paul Clark – Commissioner (resigned 24 April 2025)
Avril Muller – Commissioner (Vice Chair 25-26)
Diane Kelly - Commissioner (resigned 24 April 2025)
Carole Lillywhite – Commissioner
Paul Rowley – Commissioner (appointed May 2025)
Sarah Jones – Commissioner (appointed May 2025)
John Thomson - Commissioner (appointed May 2025)

From September 2022 to current
Clerk to Commissioners – Geri O'Donnell
Responsible Financial Officer (RFO)
Data Controller
Freedom of Information Administrator

External Boards and Committees

Members, Officers and Advisers for the year ended 31 March 2025

Paul Clark - Western Civic Amenity Site
Catriona Livingstone - Neighbourhood Policing Team
Diane Kelly – Western Swimming Pool
Avril Muller - Western Housing Committee
Duncan Livingstone – Northern Parishes Refuse Collection Board

Since May 2025:

Carole Lillywhite - Western Civic Amenity Site
Paul Rowley - Neighbourhood Policing Team
Catriona Livingstone – Western Swimming Pool
Avril Muller - Western Housing Committee
Duncan Livingstone – Northern Parishes Refuse Collection Board

Members, Officers and Advisers - continued
for the year ended 31 March 2025

Professional advisors

The Board's internal auditor is Alexander Elliott and the independent examiner is Crowe Isle of Man LLC.

Their registered addresses are as follows:

Alexander Elliott
Sovereign House
4 Christian Road
Douglas
Isle of Man
IM4 4SB

Crowe Isle of Man LLC
Victory House
Prospect Hill
Douglas
Isle of Man
IM1 1EQ

Explanatory Foreword
for the year ended 31 March 2025

Authority's objectives

The primary responsibilities of the Authority are:

- To have a consistent, open and transparent dialogue with residents and MHKs of Michael District and encourage participation in the fundamental level of the democratic process;
- To set a rate for the district to adequately meet budgeted expenditure and to provide funds to cover unplanned costs that may arise from time to time including the funding of capital works and improvements.
- To provide and maintain street lighting within the district through Manx Utilities.
- To provide a fortnightly refuse collection service through membership of Northern Parishes Refuse Collection Board.
- To provide, through membership of the Western Swimming Pool Board, facilities for the residents in the shape of the Western Swimming Pool in Peel.
- Liaise with Western Community Police Team.
- Being a member of the Peel & Western District Community Housing Committee, to enable residents of Michael District, if they fulfil the application requirements, to request to be put on the Peel & Western District Community sheltered housing waiting list.
- To maintain public conveniences including accessible toilet facilities on the Main Road site.
- To maintain Michael District amenity sites.
- To maintain grassy areas and sod banks through regular grass cutting and sod clipping, and road sweeping, except on the TT course.

Overall financial performance and results for the year

The Income and Expenditure Account covers the day to day running costs of the Authority's services. Expenditure relating to General Services is met from Income from the General and Refuse Rate Fund.

For the year ended 31 March 2025, the overall surplus amounted to £12,352 (2024: deficit £9,814).

However, following adjustments to the result for the year as shown in the Statement of Movement on Reserves, the General Revenue reserve result for the year shows a deficit of £16,034 (2024: deficit £71,289). The result was as budgeted and included revenue contribution to capital spend of £4,456 for the year (2024: £58,975).

As at 31 March 2025, the district has general revenue reserves of £62,521 (2024: £78,555).

Explanatory Foreword - continued
for the year ended 31 March 2025

Significant achievements and future plans.

Achievements to present date

The Commissioners purchased 45 new chairs for the hall which comply with fire safety regulations. We donated the old plastic chairs to an Organisation within Michael District for outdoor use.

Completion of the outstanding work to Michael Community Civic Centre ie: rendering, replacement window and repair of the lintel to the Southern Gable. From the balance of the Manx Lottery Grant CA/MLT/20212023.

Manx Lottery Grant DAFMLT/MLT/20240017 application for £25,000 was successful, for which Michael District Commissioners acknowledge with an abundance of gratitude. This MLG will be used towards eradicating rising damp in the area of the male & female toilets.

Items flagged in the health & safety report of community play equipment and outdoor furniture have been addressed.

2nd year of the annual Michael District Commissioners plant & seed swap took place. This year the commissioners had a donation box, which resulted in a donation to Kirk Michael Fire station comfort fund of £123.

Michael District Commissioners made the decision to close the toilet at Glen Mooar on health & safety grounds. We will look for a suitable replacement structure.

The Commissioners supported the Play Group with Book tokens for all the children.

The Commissioners supported Michael School with a donation, which was used to provide Easter eggs for all the children.

The Commissioners continued their support of the Annual Prize Giving at Queen Elizabeth II High School by sponsoring the Michael Commissioners Shield – English Prize, with a £30 voucher.

Our future goals are:

Repair the chimney using the balance of MLG CA/MLT/2021/23

Eradicate damp from the male & female toilets.

Create a secure store cupboard in what was previously the male toilets for cleaning products. Install a cleaner's sink. Wall panels, painting, new motion sensor lighting, new flooring and water pipes. Storage area for chairs.

In what was the lady's toilets, Create one unisex toilet with adult & child size new toilets. New wall panels, sink, water pipes, sink, grab rails, baby changing facilities, painting, motion sensor lighting and new flooring.

Repointing of the main road, and northern gable wall at the MCCC.

Clear the downstairs store room, relocate filing cabinets from the 1st floor front room.

Explanatory Foreword - continued
for the year ended 31 March 2025

Our future goals are - continued

Clear the 1st floor front room.

Planning application for replacement toilet facilities at Glen Mooar.

Subject to planning permission, installation of fit for purpose toilet facilities at Glen Mooar.

To organise the Annual Garden competition.

To arrange a Summer Community Event for the District.

To add additional benches where required in the District, enabling active travel.

To be able to hire out the Civic Hall for suitable groups or events.

Statement of Responsibilities for the Statement of Accounts

for the year ended 31 March 2025

The Authority's responsibilities

The Authority is required to:

- Plan 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; and
- 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 preparing this Statement of Accounts, the Responsible Financial Officer has:

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

The Responsible Financial Officer has also:

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

(Signed) G O'Donnell

(Responsible Finance Officer)

(Dated) 03/08/2026

Report of the independent examiner to Michael District Commissioners for the year ended 31 March 2025

I report on the financial statements of the Commissioners for the year ended 31 March 2025, which are set out on pages 15 to 34.

Respective responsibilities of Commissioners and examiner

The Commissioners are responsible for the preparation of the financial statements in accordance with the Audit Act 2006 and the Accounts and Audit Regulations 2018. The Commissioners consider that an audit is not required for this year under the Audit Act 2006 (Inspection of Accounts) (Local Authorities Etc.) Directions 2026 issued by the Treasury and that an independent examination is needed.

It is my responsibility to:

- examine the financial statements in accordance with Schedule 2 of the Accounts and Audit Regulations 2018;
- follow the procedures for basic independent examination laid down in the Audit Act 2006 (Inspection of Accounts) (Local Authorities Etc.)
- state whether particular matters have come to my attention under Section 4A(2) and 4A(3) of the Audit Act 2006.

This report, including my statement, has been prepared for and only for the Commissioners as a body. My work has been undertaken so that I might state to the Commissioners those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Commissioners and the Commissioners as a body for my examination work, for this report, or for the statements I have made.

Basis of independent examiner's report

My examination was carried out in accordance with the Audit Act 2006 and the Accounts and Audit Regulations 2018 having regard to the Audit Act 2006 (Inspection of Accounts) (Local Authorities Etc.) Directions 2026 issued by the Treasury. An examination includes a review of the accounting records kept by the Commissioners and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements and seeking explanations from you as Commissioners concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Report of the independent examiner to Michael District Commissioners for the year ended 31 March 2025 (continued)

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination other than that disclosed below which gives me cause to believe that in, any material respect:

- accounting records have not been kept in accordance with any regulations made under section 12 and any directions given under section 13;
- the financial statements do not accord with those records;
- the financial statements do not give a true and fair view of the financial affairs of the Commissioners for the period under examination;
- the financial statements have not been prepared in accordance with any regulations made under section 12, and any directions given under section 13, which are applicable to them;
- the accounts have not been prepared in accordance with the requirements of any other statutory provision applicable to them.

I have no concerns and have come across no other matters other than that disclosed below in connection with the examination to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

None of the following matters other than those disclosed below have become apparent during the course of my examination:

- material expenditure, transactions or actions which appears not to be in accordance with statutory requirements relevant to Commissioners.
- a failure to provide any information or explanation to which I am entitled under the Accounts and Audit Regulations 2018.
- the internal organisation of the Commissioners, and the internal controls maintained by it, are such as to be insufficient to secure the proper management of the finances of the Commissioners and economy and efficiency in the use of its resources.

Report of the independent examiner to Michael District Commissioners for the year ended 31 March 2025 (continued)

Material matters of concern

In carrying out my examination I noted the following material matters of concern:

The Accounts and Audit Regulations 2018 require the Commissioners to ensure that assets held at current value are revalued with sufficient regularity so that their carrying amounts do not differ materially from current value at the reporting date. The most recent independent valuations were undertaken by Chrystals Commercial, Chartered Surveyors, as at 31 March 2023. In reviewing the carrying values as at 31 March 2025, the Board concluded that the 31 March 2023 valuations remained a reasonable reflection of current market value.

Ryan Dernie
FCCA

For and on behalf of
Crowe Isle of Man LLC – Chartered Accountants
Victory House
Prospect Hill
Douglas
Isle of Man
IM1 1EQ

Date: 3 August 2026

Statement of Internal Control

for the year ended 31 March 2025

Introduction

Regulation 6 of the Accounts and Audit Regulations 2018 requires the Authority to conduct a review at least once a year of the effectiveness of its systems of internal control and include a statement on internal control within the Authority's Statement of Accounts.

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

Responsibilities of the Board and the Responsible Finance Officer

The Board controls strategy, policy and key financial and operational matters within the Authority. In addition, it is the Board's responsibility to ensure that the work of the Responsible Finance Officer and other senior officers supports the strategy and policy approved by the Board.

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

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

In discharging this responsibility, the Board works with senior officers to put in place arrangements for the governance of the Authority's affairs and the stewardship of resources, in accordance with the Code.

Internal control and corporate governance environment

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

  The Board feel confident that with the support of our Clerk the updated policies and procedures will ensure that the Authorities corporate governance framework are all recorded, and transparent and will ensure a seamless transfer to the New Board after the Elections. Training will be offered to the Clerk where available and necessary to help with this process. We have started using Sharepoint to help with this process and to ensure that documentation can be stored in a manner that is easy to use.

Statement of Internal Control (continued)
for the year ended 31 March 2025

Internal control and corporate governance environment (continued)

- **Board meetings**
  The Board meets monthly and consists of a Chair and 6 other Board members. The Board receive reports from the Authority's Officers on operational matters and ensure that the work of the Responsible Finance Officer and other senior officers supports the strategy and policy approved by the Board.
- Comprehensive budgeting systems; ***VT is used to produce the accounts and Financial Reporting. We have recently implimented software for payroll on the advice of our Internal Auditors.***
- Regular reviews of periodic and annual financial reports to evaluate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- The preparation of regular financial reports which indicate actual expenditure against the forecasts; and clearly defined capital expenditure guidelines.

Review of internal control and corporate governance environment

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

The review of the effectiveness of the system of internal financial control is informed by:

- the work of the Responsible Finance Officer within the Authority;
- the work of the internal auditors with a yearly report; and
- the external reviewers in their annual letter and other reports.

The internal auditor concluded that there were no high-risk observations although several medium risk observations were identified. There are plans in place to address these moderate risks in order to mitigate the risks involved. **An internal Audit was carried out on 13th March 2025.**
The RFO has met with the Commissioners to discuss the detailed findings of the report with a view to implementing, where practical, the key recommendations of the Internal Auditor.

Finally, the internal audit report has been seen by the current Commissioners and this has been discussed with the RFO.

Statement of Internal Control

for the year ended 31 March 2025

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.

We have with help from our Bookkeeper and Clerk undertaken the work of reviewing and setting up internal controls, ensuring that we have oversite of these processes going forward on a regular basis.

(Signed) (Chairman)

(Signed) (Responsible Finance Officer)

Dated 03/08/2026

Comprehensive Income and Expenditure Statement

for the year ended 31 March 2025

	Notes	2024/25	2023/24
Income		**£**	£
General services		**(272,454)**	(288,437)
Pension current service cost		-	-
Net cost of services		**(272,454)**	(288,437)
Interest income		**420**	1,728
Pension interest cost and expected return on pension assets		-	-
Net operating expenditure		**(272,034)**	(286,709)
Source of finance			
Income from rates			
General rates	**5**	**167,756**	163,822
Refuse rates	**6**	**115,630**	110,073
		283,386	273,895
Surplus/(deficit) on provision of services		**11,352**	(12,814)
Other Comprehensive Income and Expenditure			
Remeasurement of net pension liability		**1,000**	3,000
Revaluation of property		-	-
Net surplus/(deficit) for the year		**12,352**	(9,814)

Statement of Movement on Reserves
for the year ended 31 March 2025

	Notes	General revenue reserve £	Capital adjustment account £	Revaluation reserve £	Pensions reserve £
Total comprehensive income and expenditure		**11,352**	**-**	**-**	**1,000**
Depreciation and impairment of fixed assets	1	**19,934**	**(18,588)**	**(1,346)**	**-**
Release of government grant		**(42,864)**	**42,864**	**-**	**-**
Fixed assets financed from General Fund		**(4,456)**	**4,456**	**-**	**-**
		(16,034)	**28,732**	**(1,346)**	**1,000**
Balance brought forward		78,555	290,141	188,664	2,000
Balance carried forward		**62,521**	**318,873**	**187,318**	**3,000**

Statement of Movement on Reserves

for the year ended 31 March 2024

	General revenue reserve £	Capital adjustment account £	Revaluation reserve £	Pensions reserve £
Total comprehensive income and expenditure	(12,814)	-	-	3,000
Depreciation and impairment of fixed assets	17,493	(16,148)	(1,345)	-
Release of government grant	(16,993)	16,993	-	-
Fixed assets financed from General Fund	(58,975)	58,975	-	-
Transfer between reserves				
	(71,289)	59,820	(1,345)	3,000
Balance brought forward	149,844	230,321	190,009	(1,000)
Balance carried forward	78,555	290,141	188,664	2,000

Balance Sheet

as at 31 March 2025

	Notes		**2025**		2024
		£	**£**	£	£
Fixed assets					
Tangible fixed assets	*1*		**538,233**		510,846
Current assets					
Debtors	*3*	**35,549**		57,538	
Pension scheme asset		**3,000**		2,000	
Cash at bank		**61,283**		48,317	
		99,832		107,855	
Current liabilities					
Creditors	*4*	**(66,353)**		(59,341)	
		(66,353)		(59,341)	
Net current liabilities			**33,479**		48,514
Total assets less liabilities			**571,712**		559,360
Financed by:					
Revaluation reserve			**187,318**		188,664
General revenue			**62,521**		78,555
Pensions reserve			**3,000**		2,000
Capital adjustment account			**318,873**		290,141
			571,712		559,360

The financial statements were approved by the Authority on 03/08/2026 and were signed on their behalf by:

Chairman *RFO*

Cash Flow Statement

for the year ended 31 March 2025

	Notes	£	2025 £	2024 £
Net surplus/(deficit) on provision of services		**11,352**		(12,814)
Adjustments to net surplus/(deficit) on provision of services for non-cash movements	*9*	**43,248**		(21,040)
Adjustments for items included in net surplus/(deficit) on provision of services that are investing and financing activities		**(420)**		(1,728)
Net cash flows from Operating Activities			**54,180**	(35,582)
Net cash flows from Investing Activities	*10*	**(41,634)**		(75,965)
Net cash flows from Financing Activities	*11*	**420**		1,728
			(41,214)	(74,237)
Net increase/(decrease) in cash and cash equivalents			**12,966**	(109,819)
Cash & cash equivalents at the beginning of the reporting period			**48,317**	158,136
Cash & cash equivalents at the end of the reporting period			**61,283**	48,317

Statement of Accounting Policies
for the year ended 31 March 2025

1. Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' Section 1A ('FRS 102'), and with the Isle of Man Audit Act 2006 and the Accounts and Audit Regulations 2018, which have superseded 2013. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain land and buildings as specified in the accounting policies below.

The financial statements are presented in Sterling (£) to the nearest £.

2. Going concern

After reviewing the budget of the Authority, the board have a reasonable expectation that the Authority has adequate resources including the continuation of support from Central Government, to continue in operational existence for the foreseeable future.

3. Income

Rates receivable

Rates income for the year credited to the Comprehensive Statement of Income and Expenditure is the accrued income for the year, adjusted for discounts, exempt and uninhabitable properties.

Other income

Other income is credited to the Comprehensive Statement of Income and Expenditure on a receivable basis.

Grants

Grants are conditional income received from grant programmes and are credited to the Comprehensive Statement of Income and Expenditure when the condition is met.

4. Accruals of income and expenditure

The 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.

5. 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.

Statement of Accounting Policies (continued)
for the year ended 31 March 2025

6. Tangible fixed assets

Tangible fixed assets have physical substance and are held by the Authority for the provision of services or for administrative purposes on a continuing basis.

(a) Recognition

Expenditure on the acquisition or creation of tangible fixed assets and subsequent expenditure that adds to, replaces part of, or services tangible fixed assets, is capitalised on an accruals basis where:

- It is probable that the future economic benefits or service potential associated with the asset will flow to the Authority; and

- The cost can be measured reliably.

Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (e.g. repairs and maintenance) is charged as an expense to the relevant service when it is incurred.

(b) Measurement (Valuation Bases)

All assets are initially measured at cost. The initial cost includes all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Borrowing costs are not capitalised.

Subsequent to initial recognition, assets are then carried on the Balance Sheet using the following measurement bases:

- Infrastructure Assets - historic cost;
- Plant and equipment - historic cost;
- Assets under construction – historic cost; and
- Land and buildings are measured at current value which is determined as the amount that would be paid for the asset in its existing use ("existing use value" – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate.

For non-property assets that have short useful lives or low values (or both) depreciated historical cost basis is used as a proxy for current value.

(c) Revaluation

A class of assets included in the Balance Sheet at current value (fair value for Surplus assets) may be revalued on a rolling basis provided revaluation of the class of assets is completed within five years.

The valuations are undertaken with sufficient regularity to ensure that their carrying amount is not materially different from current value (fair value for Surplus assets). All valuations are undertaken by a qualified valuer, using a professional valuer contracted to the Authority.

Statement of Accounting Policies (continued)

for the year ended 31 March 2025

6. Tangible fixed assets - continued

(c) Revaluation - continued

Short-life assets, such as vehicles and computer equipment are not revalued but are measured at depreciated historic cost as a proxy for fair value.

Increases in valuation are matched by credits to the Revaluation Reserve to recognise unrealised gains. When assets are subject to revaluation losses they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); and

- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

(d) Impairment

Assets are subject to an annual impairment review at the end of each financial year for evidence of reductions in value. Where indications exist and the reduction is material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); and

- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Statement of Accounting Policies (continued)
for the year ended 31 March 2025

6. Tangible fixed assets - continued

(e) Depreciation

Depreciation is provided for on all Tangible Fixed Assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (e.g. freehold land and community assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on a straight-line basis by allocating the cost (or re-valued amount) of the asset over the number of years that the asset is expected to be of useful benefit as follows:

Land – Not depreciated
Property and Dwellings – 40 years
Street Lights – 10 years
Equipment – 7 to 10 years

The useful life of an asset is estimated on a realistic basis and is regularly reviewed as part of the revaluation process. Where the useful life of a fixed asset is revised, depreciation is charged over the revised life of the asset.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Where an item has major components whose cost is significant in relation to the total cost of the asset, the components are depreciated separately.

(f) 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.

7. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Cash and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the authority's cash management.

8. Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Statement of Accounting Policies (continued)
for the year ended 31 March 2025

9. Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

10. Employee benefits

The authority provides a range of benefits to employees, including paid holiday arrangements and a defined benefit pension plan.

(a) Short term benefits

Short term benefits, including holiday pay and maternity pay, are recognised as an expense in the period in which the service is received.

(b) Defined benefit pension plan

The authority participates in the Local Government Superannuation Scheme administered by Douglas Borough Council in accordance with the Isle of Man Local Government Superannuation Scheme Regulations. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration.

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. The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the authority's defined benefit obligation at the end of the reporting date less the fair value of the plan assets attributable to the authority's members at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the administering authority engages independent actuaries to calculate the obligation of the authority. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Comprehensive Income and Expenditure Statement. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net pension liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- the increase in pension benefit liability arising from employee service during the period; and
- the cost of plan introductions, benefit changes, curtailments and settlements.

Statement of Accounting Policies (continued)
for the year ended 31 March 2025

10. Employee benefits

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'Finance expense'.

11. Provisions

Provisions are made for any liability of uncertain timing where there is a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation.

Provisions are charged to the Comprehensive Income and Expenditure Statement in the year that the obligation arises and are based on the best estimate of the amount that is likely to settle the obligation.

12. 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 Revenue 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 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.

Pensions reserve: The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding those benefits.

Significant Judgements and Estimates

for the year ended 31 March 2025

(a) Judgements

In applying the accounting policies set out above the authority has had to make assumptions and form judgements about transactions which are complex in nature and where there is uncertainty about future events. The critical judgements made in the Statement of Accounts are as follows:

- The authority operates a rolling 5 year revaluation programme (next due in 2028) for assets held on the Balance Sheet at revalued amount. This means that not all assets are revalued formally every year. However a desktop review is undertaken of the assets that were not formally revalued during the year, taking into account factors such as changes to building cost indices since the asset's last revaluation and the impact of revaluations in the year for similar assets. As a result it is judged that the potential difference in value that would result from formal revaluation is not material in the context of the overall carrying value of the assets, and therefore the risk of material misstatement to the Balance Sheet is low.

- Property, Plant and Equipment assets are judged to be held for their service potential rather than future resale value and therefore the authority does not allocate residual values to assets when calculating depreciation. This could lead to the potential overstatement of depreciation and the understatement of asset carrying values in the Balance Sheet. The calculation of depreciation, however, does not affect the amount to be collected from rate payers.

- The authority has judged that amounts held on deposit or invested for periods of less than three months are sufficiently liquid as to be classed as cash equivalents. Judgement is also required as to whether the primary purpose of holding such investments is for meeting short term cash commitments (in which case the investment is classified as a cash equivalent) or for investment return (in which case the investment remains classified as a short term investment).

(b) Estimates

The authority is required to disclose those estimates and assumptions which it has made in the preparation of its accounts for which there is the potential for a material adjustment within the next financial year.

- Pension Liability - The estimation of the net pension liability depends on a number of complex and inter-related actuarial assumptions and judgements, i.e. the rate of inflation, rate of increase in salaries, age of retirement, rate of increase in pensions, mortality rates and expected returns on pension fund assets. A firm of actuaries is engaged to provide expert advice about the assumptions to be applied. As a result there is inevitably some uncertainty concerning the value of the net pension liability in the financial statements. Changes in the assumptions can give rise to major changes in the liability within the year and across years, i.e. actuarial gains and losses.

Notes to the Financial Statements

for the year ended 31 March 2025

1. Tangible fixed assets

	Land & Buildings £	Street Lights £	Equipment £	Total £
Cost and valuation				
At 31 March 2024	476,266	56,763	86,807	619,836
Additions	28,911	-	18,410	47,321
At 31 March 2025	**505,177**	**56,763**	**105,217**	**667,157**
Depreciation				
As at 31 March 2024	5,600	49,579	53,811	108,990
Depreciation for year	5,600	3,550	10,784	19,934
At 31 March 2025	**11,200**	**53,129**	**64,595**	**128,924**
Net Book Value				
At 31 March 2025	**493,977**	**3,634**	**40,622**	**538,233**
At 31 March 2024	470,666	7,184	32,996	510,846

Valuation of land and property

Valuations were carried out by Chrystals Commercial, Chartered Surveyors of Douglas Isle of Man, the Authority's external valuer, as at 31 March 2023. The basis for valuation is set out in the Statement of Accounting Policies. The Authority plans to revalue its fixed assets every five years.

- **Buildings only**

Historical cost of revalued fixed assets

Included within the above are assets with a original price paid as follows:

Land and buildings - £318,565 (2024: £289,654).

Notes to the Financial Statements (continued)
for the year ended 31 March 2025

2. Assets Held

	2025	2024
Operational assets	**£**	£
Car parks	**3**	3
Public conveniences	**2**	2
Public halls/offices	**1**	1
Recreational properties	**3**	3
Infrastructure Assets		
Streetlights	**157**	157

3. Debtors

	2025	2024
	£	£
Government departments	**20,299**	12,609
Ratepayers	**8,092**	8,393
Value added tax	**2,847**	7,178
Sundry debtors	**4,311**	29,358
	35,549	57,538

Debtor balances are shown net of provisions for bad or doubtful debts as follows:

	2025	2024
	£	£
Ratepayers – non-payment of rates	**13,357**	14,575

4. Creditors

	2025	2024
	£	£
Sundry creditors and accruals	**39,791**	18,578
Amounts owed to other local government entities	**266**	5,660
Amounts owed to government departments	**1,027**	-
Trade creditors	**5,968**	10,893
Grant received	**19,301**	24,210
	66,353	59,341

Notes to the Financial Statements (continued)

for the year ended 31 March 2025

5. General Rate Account

		2025		2024
	£	**£**	£	£
Total rates levied for the year		**173,566**		170,236
Add:				
Due from Treasury re: prior year	**7,626**		11,110	
Arrears brought forward	**13,110**		10,960	
		20,736		22,070
		194,302		192,306
Less:				
Discounts	**(5,452)**		(5,406)	
Exempt and unoccupied properties	**(359)**		(1,008)	
Collection fee	**(2,286)**		(2,215)	
		(8,097)		(8,629)
Irrecoverable amounts and re-rating adjustments		**83**		(150)
Total rates collectable		**186,288**		183,527
Rates received in the year:				
Current year rates	**148,864**		149,258	
Arrears collected	**5,855**		2,423	
Balance from Treasury re: previous year	**7,626**		11,110	
Total rates received		**162,345**		162,791
Balances outstanding carried forward:				
Due from Treasury re: current year				
Arrears:	**11,725**		7,626	
- Current year	**4,879**		4,722	
- Previous year	**7,339**		8,388	
		23,943		20,736
		186,288		183,527

	2025	2024
	£	£
General rates levied for the year	**173,566**	170,235
Less: Discounts, exempt/uninhabitable properties & refunds	**(5,810)**	(6,413)
Per Comprehensive Income and Expenditure Statement	**167,756**	163,822

Notes to the Financial Statements (continued)
for the year ended 31 March 2025

6. Refuse Rate Account

		2025		2024
	£	£	£	£
Refuse rates levied for the year		**119,803**		114,442
Add:				
Due from Treasury re: prior year	**4,984**		7,203	
Arrears brought forward	**9,858**		7,975	
		14,842		15,178
		134,645		129,620
Less:				
Discounts	**(3,627)**		(3,483)	
Exempt and unoccupied properties	**(546)**		(884)	
Collection fee	**(1,765)**		(1,681)	
		(5,938)		(6,048)
Irrecoverable amounts and re-rating adjustments		**261**		(91)
Total rates collectable		**128,968**		123,481
Rates received in the year:				
Current year rates	**102,078**		99,740	
Arrears collected	**4,099**		1,696	
Balance from Treasury re: previous year	**4,984**		7,203	
Total refuse rates received		**111,161**		108,639
Balances outstanding carried forward:				
Due from Treasury re: current year				
Arrears:	**8,574**		4,984	
- Current year	**3,214**		3,671	
- Previous year	**6,019**		6,187	
		17,807		14,842
		128,968		123,481

	2025	2024
	£	£
Refuse rates levied for the year	**119,803**	114,442
Less: Discounts, exempt/uninhabitable properties & refunds	**(4,173)**	(4,369)
Per Comprehensive Income and Expenditure Statement	**115,630**	110,073

Notes to the Financial Statements (continued)
for the year ended 31 March 2025

7. Employee remuneration

During the year and the prior year, there were no employees whose remuneration, excluding pension contributions, was £50,000.

Key management compensation

Key management personnel compensation paid amounted to £31,009 including employers pension contributions (2024: £26,551).

Members' allowances

During the year the Authority paid £983 to its Members in respect of their attendance at meetings, undertaking duties and responsibilities (2024: £639).

8. 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. It also provides funding in the form of grants and prescribes the terms of many transactions that the Commissioners has with other parties ie. housing rents.

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.

Related party transactions and balances with the above parties are disclosed within the relevant notes to the financial statements.

During the period, the Authority paid £47,880 (2024: £43,475) to Western Civic Amenity Site and also paid £7,153 (2024: £2,914) to Western Swimming Pool Board.

The Authority also paid £119,803 (2024: £114,442) in respect of refuse collection costs to Northern Parishes Refuse Board. At the year end, £20,493 (2024: £5,660) was due in this respect.

The Authority also paid £17,880 (2024: £16,209) to Manx Utility Authority during the year in respect of electricity charges and street lighting maintenance and lighting charges

Notes to the Financial Statements (continued)

for the year ended 31 March 2025

9. Cash flow statement – Operating activities

The following table provides a breakdown of the main elements within the adjustment for the non-cash movements figure shown in the cash flow statement:

	2025	2024
	£	£
Depreciation, impairment & revaluation losses for non-current assets	**19,934**	17,493
Decrease in creditors	**1,325**	(24,592)
Decrease/(increase) in debtors	**21,989**	(13,941)
	43,248	(21,040)

10. Cash flow statement – Investing activities

	2025	2024
	£	£
Purchase of tangible fixed assets	**(41,634)**	(75,965)
	(41,634)	(75,965)

11. Cash flow statement – Financing activities

	2025	2024
	£	£
Bank interest received	**420**	1,728
	420	1,728

12. Independent examination fees

During 2024/25 the Authority incurred the following fees relating to independent examination:

	2025	2024
	£	£
Fees payable with regard to assurance review services	**3,500**	4,406
	3,500	4,406

13. Total rateable value

The total rateable value of the District at 31 March 2025 is £117,293 (2024: £116,566) with a 148p rate being charged (2024: 146p). Refuse rates were levied at 72p in the £ (2024: 69p) on a rateable value of £119,803 (2024: £109,520).

Notes to the financial statements (Continued)
for the year ended 31 March 2025

14. Post employment benefits

The authority operates a defined benefit pension scheme with assets held in a separately administered fund. The scheme provides retirement benefits on the basis of members' final salary. The plan is administered by Douglas Borough Council as the Administering Authority. The authority has committed to a funding plan with the Administering Authority, whereby ordinary contributions are made into the scheme based on a percentage of active employees' salary. Additional contributions are agreed with the Administering Authority to reduce the funding deficit where necessary.

A comprehensive actuarial valuation of the Local Government Superannuation Scheme, using the projected unit credit method, was carried out at 31 March 2025 by independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

	31 March 2025	31 March 2024
Rate of increase in salaries	**2.90%**	2.90%
Rate of increase in pensions	**2.90%**	2.90%
Rate for discounting scheme liabilities	**5.75%**	4.90%

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

The mortality assumptions used were as follows:

	31 March 2025 Years
Longevity at the age of 65 for current pensioners	
• Men	**19.7**
• Women	**24.8**
Longevity at the age of 65 for future pensioners	
• Men	**21.1**
• Women	**26.4**

The local Authority's share of the fair value of plan assets was:

	2025	2024
	%	%
Equity instruments	**50**	55
Bonds	**34**	32
Property	**12**	11
Cash	**4**	2
Total	**100**	100

Notes to the financial statements (Continued)

for the year ended 31 March 2025

14. Post employment benefits - continued

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Total
	£	£	£
At 1 April 2024	85,000	83,000	**2,000**
Interest income	4,000	4,000	-
Remeasurement gains			
• Actuarial gains	-	(11,000)	**11,000**
• Return on plan assets excluding interest income	(2,000)	-	**(2,000)**
Impact of asset ceiling	(8,000)	-	**(8,000)**
At 31 March 2025	**79,000**	**76,000**	**3,000**

The asset ceiling reflected above is the present value of any economic benefit available to the authority in the form of refunds or reduced future employer contributions. The potential economic benefit from the reduction in future contributions has been calculated to be nil. As such, an asset ceiling has been included to reflect that the final funded surplus is reduced and that Michael District Commissioners does not have a right to a refund of surplus.

Total cost recognised as an expense:

	2025	2024
	£	£
Current service cost	-	1,000
Interest cost	-	4,000
	-	5,000

	2025	2024
	£	£
Interest income	**4,000**	4,000
Return on plan assets less interest income	**(2,000)**	1,000
Total return on plan assets	**2,000**	5,000

15. Capital commitments

There were no commitments for capital expenditure that had started, or legal contracts entered into as at 31 March 2024 or 2025.

16. Grants Note

During the year the Authority received £37,956 (2024: £17,158) worth of grants from Manx Lottery Trust for updating Civic Hall Kitchen and from Isle of Man Government in respect of Town & Village Regeneration grants. £42,864 (2024: £16,993) was credited to the comprehensive income and expenditure statement and £19,301 (2024: £24,210) was deferred and recognised as a creditor.

Detailed Income and Expenditure Account

For the year ended 31 March 2025

	2025	2024
Income	**£**	£
Property search fees	**4,510**	3,710
Hall rental	**70**	-
Garden rental	**-**	200
Release of government grant	**42,864**	16,993
	47,444	20,903
Expenditure		
Accountancy fees	**4,872**	4,513
Amenity areas maintenance	**20,509**	14,043
Assurance fees	**2,445**	4,406
Bad debts written off/(back):-		
General rates	**(1,049)**	1,030
Refuse rates	**(168)**	974
Bad debts general	**(185)**	-
Bank charges	**271**	234
Cleaning & public conveniences including wages for cleaner	**2,464**	1,350
Community events	**2,552**	2,762
Depreciation	**19,934**	17,493
Insurance	**3,847**	4,348
Internal audit fee	**1,800**	1,800
Legal & actuarial fees	**1,492**	1,881
Office expenses	**5,337**	6,379
Litter, dog bins & by-law duties	**9,621**	9,060
Meeting attendance allowances	**983**	639
Miscellaneous expenses	**1,086**	4,566
Provision for bad debts – (release)/charge:		
General rates	**(261)**	149
Refuse rates	**(83)**	92
Rates	**597**	571
Rate collection charges	**4,052**	3,896
Refuse collection charges	**115,630**	110,075
Shortfall met out of General Rates Revenue	**4,173**	4,367
Repairs and renewals	**15,278**	24,998
Salary and wages - Clerk	**33,263**	26,551
Street lighting	**16,405**	16,774
Western Civic Amenity Site Board – contribution	**47,880**	43,475
Western Local Authorities Swimming Pool Board - contribution	**7,153**	2,914
Total Expenditure	**319,898**	309,340
Net expenditure from services	**272,454**	288,437

This page does not form part of the reviewed financial statements