Michael District Commissioners

Financial Statements

For the year ended 31 March 2024

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: 13/01/25

Contents

Members, Officers and Advisers
for the year ended 31 March 2024

Michael District Commissioners are situated at

Commissioner's Offices
Main Road
Kirk Michael
IM6 1EW

Members and officers

The members of the Authority are:

Catriona Livingstone - Chairman
Diane Kelly – Vice Chairman
Carole Lillywhite - Commissioner
Paul Clark - Commissioner
Avril Muller - Commissioner
Duncan Livingstone - Commissioner

Clerk to Commissioners – Geri O'Donnell

External Boards and Committees

Members sitting on external boards and committees are:

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

Professional advisors

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

Their registered addresses are as follows:

Alexander Elliott	Crowe Isle of Man LLC
Sovereign House	Victory House
4 Christian Road	Prospect Hill
Douglas	Douglas
Isle of Man	Isle of Man
IM4 4SB	IM1 1EQ

Explanatory Foreword

for the year ended 31 March 2024

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 and the single toilet at Glen Mooar.
- 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 2024, the overall deficit amounted to £9,814 (2023: surplus £150,961).

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 £71,289 (2023: surplus £11,971). The result was as budgeted and included revenue contribution to capital spend of £58,975 for the year (2023: £388).

As at 31 March 2024, the district has general revenue reserves of £78,555 (2023: £149,844).

Explanatory Foreword - continued
for the year ended 31 March 2024

Significant achievements and future plans:

Achievements to present date

A Manx Lottery Dormant Asset Fund Grant Ref: DAF/MLT2022/0012 of £13,000 and another Manx Lottery Dormant Asset Fund Grant Ref: DAF/MLT/2022/0012 of £7,682 which we are extremely grateful for enabled the Commissioners to use some reserves towards the cost of replacing and painting the windows at the Michael Community Civic Centre (MCCC) like for like. The balance on the above grants is now zero.

Refurbishment of the Michael Community Centre continues. The Commissioners used funds to refurbish the Clerk's office which is complete. Make the main hall more user friendly by removing an internal wall, creating a storeroom for filing cabinets, and general storage. Due to the internal changes the main hall is bigger.

The Commissioners successfully applied for a Manx Lottery Community Grant CA/MLT/2023/0028 of £6,000 to cover the cost of painting the main hall and landing. The balance of this grant is now zero.

The Commissioners have so much gratitude for the funding we have received from the Manx Lottery Trust whom without their support we would not be able to achieve what we have in refurbishing the MCCC which is our community's asset.

We have reached a point that the MCCC is now available to hire, contact the Clerk for details.

The splendid model of Michael railway station which was situated in the main hall but relocated to the landing has been reconstructed with additional refurbishment and new LED lighting.

A smart TV has now been installed in the main hall partiality funded from the balance of the Manx Lottery Grant Ref: SG09/2022 and reserves. Anyone who wishes to use this facility to gain access to Government online services contact the Clerk.

The Commissioners agreed to having an official agreement that Michael Heritage has the upper back room as their official home for storage of historical items. Michael Heritage with the agreement of the Commissioners have installed the iconic Kelly Brothers shop sign in the main hall.

The Commissioners held the first community event plant and seed swap in the newly refurbished MCCC. Several people attended and requested that the plant and seed swap be an annual event. In the words of someone who attended "I see this as the embryo and look forward to the event growing stronger each year".

The public toilets have been painted and shortly the only unpainted wall next to the grassed area will be painted.

Two trees have been planted in Crowe's Field to celebrate the Queen's Platinum Jubilee and the King's Coronation. A letter was sent to the Lord of Mann congratulating his Majesty on his Coronation. The Commissioners received a thank you card which has been placed in the trophy cabinet in the hall.

Explanatory Foreword - continued
for the year ended 31 March 2024

Achievements to present date (continued)

The Commissioners successfully applied to the Isle of Man Arts Council for £3,475.70 to fund the purchase of a public event pull up banner, exhibition boards, tables and a table trolley. These items are available for use if anyone is hiring the hall.

The Commissioners applied to the Department of Enterprise for a Town and Villages Regeneration Award. The Commissioners were awarded 80% funding which is £12,955.84 towards purchasing:

- Two accessible picnic tables are now in place, one at Crowe's Field and one at Ellison's Green.
- One A frame picnic table already installed Broogh Wyllin..
- Two 8-seater round picnic tables installed, one at Crowe's Field and one at Ellison's Green.

One Stargazing bench already installed above the beach at Glen Wyllin.

Michael District Commissioners would like to thank Bob Dronett for giving the Commissioners permission to use drone photos he has taken for the use of the Michael District Commissioners website, New Michael District Commissioners face book page and the pull up community banner.

Plans

Michael District Commissioners are very proud of the MD Young Commissioners. After listening to the Young Commissioners the Commissioners have purchased a climbing frame / monkey bars which will be installed in Crowe's Field.

Two pieces of outdoor exercise equipment which is aimed for older youth / adult use will be installed on the old railway.

Four wooden notice boards to be installed. One to replace the existing notice board on the gable wall of the Michael Community Civic Centre – Commissioner's office. One at public car park, one at fire station end of the old railway and one at the top of the old railway steps Orrisdale South loop road.

The Commissioners are actively seeking ways of including and engaging with the public and acknowledge that not everyone has or wants to access the internet, similarly, making public open spaces accessible to others.

The balance of Manx Lottery Community Grant Ref: CA/MLT/2021/23 remains at £18,024.47. This is due to waiting for the building contractor and scaffolding availability. It is anticipated that work will commence April / May 2024 on the Southern gable wall which we know is causing damp. There is a metal lintel that needs replacing, rendering of the gable wall and inspection and work on the chimneys. We would like to take this opportunity to thank the next-door neighbour for allowing the contractor to access the MCCC gable wall and roof via their garden which is the only access.

Explanatory Foreword - continued

for the year ended 31 March 2024

Items to acknowledge

1. Member of the Community who volunteered to care for the millennium garden.
2. New Christmas lights.
3. Money donated to the school and play school for Christmas.
4. Donation to the Phar Trust to assist in developing their Community Centre.
5. Installation of the Christmas tree.

Our future goals

1. To replace the plastic chairs for community use.
2. We know that we have a rising damp issue in the not in use female and gents toilets so needs treating.
3. In the female toilet create a toilet similar to the refurbished toilet in the main hall
4. Turn the gents toilet into a store room and a space for storing cleaning products with a sink.
5. Clear the upper floor front room refurbish to be used as a storeroom.
6. Pointing to the front elevation and Northern gable wall.
7. Refurbishment of Glen Wyllin Toilet, updating and enhancing the current facilities.
8. Introduction of SharePoint to modernize the running of the Office.

Statement of Responsibilities for the Statement of Accounts

for the year ended 31 March 2024

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) 13/01/25

Independent Chartered Accountants' Assurance Review Report to The Members of Michael District Commissioners

We have reviewed the statement of accounts of Michael District Commissioners for the year ended 31 March 2024 which comprise the comprehensive income and expenditure statement, the Statement of Movement on Reserves, the Balance Sheet, the Cash Flow Statement and Notes to the Financial Statements, including a Summary of Significant Accounting Policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Responsible Financial Officer's responsibility for the statement of accounts

As explained more fully in the Responsible Financial Officer's Responsibilities Statement set out on page 8, the Responsible Financial Officer is responsible for the preparation of the statement of accounts and for being satisfied that they give a true and fair view.

Accountants' responsibility

Our responsibility is to express a conclusion on the statement of accounts. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to review historical financial statements and ICAEW Technical Release TECH 09/13AAF (Revised) Assurance review engagements on historical financial statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared, in all material respects, in accordance with United Kingdom Generally Accepted Accounting Practice. ISRE 2400 (Revised) also requires us to comply with the ICAEW Code of Ethics and the FRC's Ethical Standard, as applicable.

Scope of the assurance review

A review of statement of accounts in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We have performed additional procedures to those required under a compilation engagement. These primarily consist of making enquiries of management and others within the entity, as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (UK). Accordingly, we do not express an audit opinion on this statement of accounts.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements have not been prepared:

- so as to give a true and fair view of the state of the authority's affairs as at 31 March 2024, and of its results for the year then ended;
- in accordance with any regulations under Section 12 and any directions, as applicable, under Section 13 of the Audit Act 2006; and
- in accordance with any other statutory provisions applicable to them.

Independent Chartered Accountants' Assurance Review Report to The Members of Michael District Commissioners - continued

Use of our report

This report is made solely to the authority's members, as a body, in accordance with the terms of our engagement letter dated 28 September 2023. Our review has been undertaken so that we may state to the authority's members those matters we have agreed with them in our engagement letter and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the authority and the authority's members, as a body for our work, for this report or the conclusions we have formed.

Crowe Isle of Man LLC

Crowe Isle of Man LLC - Chartered Accountants

6th Floor, Victory House
Prospect Hill
Douglas
Isle of Man
IM1 1EQ

Date 20th January 2025

Statement of Internal Control

for the year ended 31 March 2024

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 the Clerk they will be able to implement and update policies and procedures that will ensure that the Authorities corporate governance framework is all recorded, and transparent. Training will be offered to the Clerk where available and necessary to help with this process.

Statement of Internal Control

for the year ended 31 March 2024

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. A bookkeeper is employed to give a regular update and help with the Rates Estimates. The Board feel happy with this level of support and reporting. The bookkeeper feels confident that the Clerk is sufficiently capable of managing the monthly and quarterly processes and will visit 2-3 times a year to give an oversite of the reporting.
- 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 overview of the Bookkeeper on a quarterly basis;
- 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 in the 2024 report that there were no high-risk observations, with 7 categories being moderate (two mitigated), four categories being acceptable and one being low risk.

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.

Statement of Internal Control

for the year ended 31 March 2024

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.

Our Procedures and reporting structures will be enhanced by the new use of Sharepoint which will ensure that information can be shared with each member of the Board and the Clerk in a timely manner, enabling transparency and accuracy, whilst sensitive material will be kept confidential under the control of the Clerk.

(Signed) _Livingstone_ (Chairman)

(Signed) _G O'Donnell_ (Responsible Finance Officer)

Dated 13/01/25

Comprehensive Income and Expenditure Statement

for the year ended 31 March 2024

	Notes	2023/24	2022/23
Income		**£**	£
General services		**(288,437)**	(245,153)
Pension current service cost		**-**	-
Net cost of services		**(288,437)**	(245,153)
Interest income		**1,728**	483
Pension interest cost and expected return on pension assets		**-**	(1,000)
		(286,709)	(245,670)
Net operating expenditure			
Source of finance			
Income from rates			
General rates	**5**	**163,822**	160,935
Refuse rates	**6**	**110,073**	106,056
		273,895	266,991
(Deficit)/surplus on provision of services		**(12,814)**	21,321
Other Comprehensive Income and Expenditure			
Remeasurement of net pension liability		**3,000**	39,000
Revaluation of property		**-**	90,640
Net (deficit)/surplus for the year		**(9,814)**	150,961

Statement of Movement on Reserves

for the year ended 31 March 2024

	Notes	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	1	**17,493**	**(16,148)**	**(1,345)**	**-**
Net charges made for retirement benefits	14				
Release of government grant		**(16,993)**	**16,993**	**-**	**-**
Fixed assets financed from General Fund		**(58,975)**	**58,975**	**-**	**-**
		(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**

Statement of Movement on Reserves

for the year ended 31 March 2023

	General revenue reserve	Capital adjustment account	Revaluation reserve	Pensions reserve
	£	£	£	£
Total comprehensive income and expenditure	21,321	-	90,640	39,000
Depreciation and impairment of fixed assets	15,802	(14,405)	(1,397)	-
Net charges made for retirement benefits	1,000	-	-	(1,000)
Release of government grant	(25,764)	25,764	-	-
Fixed assets financed from General Fund	(388)	388	-	-
Transfer between reserves	-	17,782	(17,782)	-
	11,971	29,529	71,461	38,000
Balance brought forward	137,873	200,792	118,548	(39,000)
Balance carried forward	149,844	230,321	190,009	(1,000)

Balance Sheet

as at 31 March 2024

	Notes		2024		2023
		£	**£**	£	£
Fixed assets					
Tangible fixed assets	*1*		**510,846**		452,373
Current assets					
Debtors	*3*	**57,538**		43,596	
Cash at bank		**48,317**		158,136	
		105,855		201,732	
Non current assets					
Net pension asset		**2,000**		-	
Current liabilities					
Creditors	*4*	**(59,341)**		(83,931)	
		(59,341)		(83,931)	
Net current liabilities			**48,514**		117,801
Total assets less current liabilities			**559,360**		570,174
Long-term liabilities					
Liability relating to defined benefit pension scheme			-		(1,000)
Total assets less liabilities			**559,360**		569,174
Financed by:					
Revaluation reserve			**188,664**		190,009
General revenue			**78,555**		149,844
Pensions reserve			**2,000**		(1,000)
Capital adjustment account			**290,141**		230,321
			559,360		569,174

The financial statements were approved by the Authority on 13/01/25 and were signed on their behalf by:

Chairman SD Livingstone

RFO G O Darnell

Cash Flow Statement

for the year ended 31 March 2024

	Notes	£	**2024** £	2023 £
Net (deficit)/surplus on provision of services		**(12,814)**		21,321
Adjustments to net (deficit)/surplus on provision of services for non-cash movements	*9*	**(21,040)**		8,237
Adjustments for items included in net surplus on provision of services that are investing and financing activities		**(1,728)**		(483)
Net cash flows from Operating Activities			**(35,582)**	29,075
Net cash flows from Investing Activities	*10*	**(75,965)**		(25,792)
Net cash flows from Financing Activities	*11*	**1,728**		483
			(74,237)	(25,309)
Net (decrease)/increase in cash and cash equivalents			**(109,819)**	3,766
Cash & cash equivalents at the beginning of the reporting period			158,136	154,370
Cash & cash equivalents at the end of the reporting period			48,317	158,136

Statement of Accounting Policies

for the year ended 31 March 2024

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 it 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 2024

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 2024

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 2024

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
Vehicles – 5 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 2024

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 2024

10. Employee benefits - continued

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 2024

(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 2024

1. Tangible fixed assets

	Land & Buildings £	**Street Lights £**	**Equipment £**	**Total £**
Cost and valuation				
At 31 March 2023	415,663	56,763	71,445	543,871
Additions	60,603	-	15,362	75,965
At 31 March 2024	**476,266**	**56,763**	**86,807**	**619,836**
Depreciation				
As at 31 March 2023	-	46,030	45,468	91,498
Depreciation for year	5,600	3,549	8,343	17,492
At 31 March 2024	**5,600**	**49,579**	**53,811**	**108,990**
Net Book Value				
At 31 March 2024	**470,666**	**7,184**	**32,996**	**510,846**
At 31 March 2023	415,663	10,733	25,977	452,373

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 - £289,654 (2023: £229,051).

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

2. Assets Held

	2024	2023
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

	2024	2023
	£	£
Government departments	**12,609**	18,312
Ratepayers	**8,393**	6,364
Value added tax	**7,178**	5,276
Sundry debtors	**29,358**	13,644
	57,538	43,596

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

	2024	2023
	£	£
Ratepayers – non-payment of rates	**14,575**	12,571

4. Creditors

	2024	2023
	£	£
Sundry creditors and accruals	**18,578**	17,110
Amounts owed to other local government entities	**5,660**	27,056
Trade creditors	**10,893**	15,721
Grant received	**24,210**	24,044
	59,341	83,931

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

5. General Rate Account

		2024		2023
	£	**£**	£	£
Total rates levied for the year		**170,236**		166,872
Add:				
Due from Treasury re: prior year	**11,110**		13,778	
Arrears brought forward	**10,960**	**22,070**	11,445	25,223
		192,306		192,095
Less:				
Discounts	**(5,406)**		(5,305)	
Exempt and unoccupied properties	**(1,008)**		(632)	
Collection fee	**(2,215)**		(2,225)	
		(8,629)		(8,162)
Irrecoverable amounts and re-rating adjustments		**(150)**		1,123
Total rates collectable		**183,527**		185,056
Rates received in the year:				
Current year rates	**149,258**		143,998	
Arrears collected	**2,423**		5,211	
Balance from Treasury re: previous year	**11,110**		13,778	
Total rates received		**162,791**		162,987
Balances outstanding carried forward:				
Due from Treasury re: current year				
Arrears:	**7,626**		11,110	
- Current year	**4,722**		3,602	
- Previous year	**8,388**		7,357	
		20,736		22,069
		183,527		185,056

	2024	2023
	£	£
General rates levied for the year	**170,235**	166,872
Less: Discounts, exempt/uninhabitable properties & refunds	**(6,413)**	(5,937)
Per Comprehensive Income and Expenditure Statement	**163,822**	160,935

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

6. Refuse Rate Account

		2024		2023
	£	**£**	£	£
Refuse rates levied for the year		**114,442**		109,961
Add:				
Due from Treasury re: prior year	**7,203**		8,907	
Arrears brought forward	**7,975**		8,092	
		15,178		16,999
		129,620		126,960
Less:				
Discounts	**(3,483)**		(3,390)	
Exempt and unoccupied properties	**(884)**		(515)	
Collection fee	**(1,681)**		(1,668)	
		(6,048)		(5,573)
Irrecoverable amounts and re-rating adjustments		**(91)**		604
Total rates collectable		**123,481**		121,991
Rates received in the year:				
Current year rates	**99,740**		94,423	
Arrears collected	**1,696**		3,483	
Balance from Treasury re: previous year	**7,203**		8,907	
Total refuse rates received		**108,639**		106,813
Balances outstanding carried forward:				
Due from Treasury re: current year				
Arrears:	**4,984**		7,203	
- Current year	**3,671**		2,762	
- Previous year	**6,187**		5,213	
		14,842		15,178
		123,481		121,991

	2024	2023
	£	£
Refuse rates levied for the year	**114,442**	109,961
Less: Discounts, exempt/uninhabitable properties & refunds	**(4,369)**	(3,905)
Per Comprehensive Income and Expenditure Statement	**110,073**	106,056

Notes to the Financial Statements (continued)
for the year ended 31 March 2024

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 £26,551 including employers pension contributions (2023: £26,655).

Members' allowances

During the year the Authority paid £639 to its Members in respect of their attendance at meetings, undertaking duties and responsibilities (2023: £981).

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 £43,475 (2023: £44,985) to Western Civic Amenity Site and also paid £2,914 (2023: £2,898) to Western Swimming Pool Board.

The Authority also paid £114,442 (2023: £109,961) in respect of refuse collection costs to Northern Parishes Refuse Board. At the year end, £5,660 (2023: £27,056) was due in this respect.

The Authority also paid £16,209 (2023: £16,322) 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 2024

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:

	2024	2023
	£	£
Depreciation, impairment & revaluation losses for non-current assets	**17,493**	15,802
Decrease in creditors	**(24,592)**	(13,807)
(Increase)/decrease in debtors	**(13,941)**	5,242
Net charges for retirement benefits	**-**	1,000
	(21,040)	8,237

10. Cash flow statement – Investing activities

	2024	2023
	£	£
Purchase of tangible fixed assets	**(75,965)**	(25,792)
	(75,965)	(25,792)

11. Cash flow statement – Financing activities

	2024	2023
	£	£
Bank interest received	**1,728**	483
	1,728	483

12. Independent examination fees

During 2023/24 the Authority incurred the following fees relating to independent examination:

	2024	2023
	£	£
Fees payable with regard to assurance review services	**4,406**	3,094
	4,406	3,094

13. Total rateable value

The total rateable value of the District at 31 March 2024 is £116,566 (2023: £115,796) with a 146p rate being charged (2023: 144p). Refuse rates were levied at 69p in the £ (2023: 67p) on a rateable value of £109,520 (2023: £108,750).

Notes to the financial statements (Continued)

for the year ended 31 March 2024

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 2024 by independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

	31 March 2024	31 March 2023
Rate of increase in salaries	**2.90%**	2.90%
Rate of increase in pensions	**2.90%**	2.90%
Rate for discounting scheme liabilities	**4.90%**	4.8%

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 2024 Years
Longevity at the age of 65 for current pensioners	
• Men	**19.6**
• Women	**24.8**
Longevity at the age of 65 for future pensioners	
• Men	**21.1**
• Women	**26.3**

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

	2024	2023
	%	%
Equity instruments	**55**	52
Bonds	**32**	34
Property	**11**	13
Cash	**2**	1
Total	**100**	100

Notes to the financial statements (Continued)
for the year ended 31 March 2024

14. Post employment benefits - continued

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Total
	£	£	£
At 1 April 2023	79,000	80,000	**(1,000)**
Benefits paid	-	-	-
Plan participants contributions	-	-	-
Employer contributions	1,000	-	**1,000**
Current service cost	-	1,000	**(1,000)**
Interest income/(expense)	4,000	4,000	-
Remeasurement gains/(losses)			
• Actuarial gains	-	(2,000)	**2,000**
• Experience gain	-	-	-
• Change in demographic assumptions	-	-	-
• Return on plan assets excluding interest income	1,000	-	**1,000**
At 31 March 2024	**85,000**	**83,000**	**2,000**

Total cost recognised as an expense:

	2024	2023
	£	£
Current service cost	**1,000**	1,000
Interest cost	**4,000**	3,000
	5,000	4,000

	2024	2023
	£	£
Interest income	**4,000**	3,000
Return on plan assets less interest income	**1,000**	(10,000)
Total return on plan assets	**5,000**	(7,000)

15. Capital commitments

There were no commitments for capital expenditure that had started, or legal contracts entered into as at 31 March 2023 or 2024.

16. Grants Note

During the year the Authority received £17,158 (2023: £14,945) worth of grants from Manx Lottery Trust for updating Civic Hall Kitchen. £16,993 (2023: £25,765) was credited to the comprehensive income and expenditure statement and £24,210 (2023: £24,044) was defered and recognised as a creditor.

Detailed Income and Expenditure Account

For the year ended 31 March 2024

	2024	2023
Income	**£**	£
Property search fees	**3,710**	3,320
Hall rental	**-**	60
Miscellaneous income	**-**	715
Garden rental	**200**	200
Release of government grant	**16,993**	25,764
	20,903	30,059
Expenditure		
Accountancy fees	**4,513**	4,796
Amenity areas maintenance	**14,043**	13,505
Assurance fees	**4,406**	3,094
Bad debts written off:-		
General rates	**1,030**	182
Refuse rates	**974**	263
Bank charges	**234**	276
Cleaning & public conveniences including wages for cleaner	**1,350**	603
Community events	**2,762**	2,338
Depreciation	**17,493**	15,802
Insurance	**4,348**	3,952
Internal audit fee	**1,800**	-
Legal & actuarial fees	**1,881**	3,358
Office expenses	**6,379**	11,488
Litter, dog bins & by-law duties	**9,060**	7,279
Meeting attendance allowances	**639**	981
Miscellaneous expenses	**4,566**	3,989
Provision for bad debts – (release)/charge:		
General rates	**149**	(1,123)
Refuse rates	**92**	(604)
Rates	**571**	515
Rate collection charges	**3,896**	3,893
Refuse collection charges	**110,075**	98,855
Shortfall met out of General Rates Revenue	**4,367**	11,106
Repairs and renewals	**24,998**	4,915
Salary and wages - Clerk	**26,551**	26,655
Street lighting	**16,774**	11,211
Western Civic Amenity Site Board – contribution	**43,475**	44,985
Western Local Authorities Swimming Pool Board - contribution	**2,914**	2,898
Total Expenditure	**309,340**	275,212
Net expenditure from services	**288,437**	245,153

This page does not form part of the reviewed financial statements