

**Port St. Mary Village Commissioners
Financial Statements**

For the year ended 31 March 2020

Port St. Mary Village Commissioners

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Port St. Mary Village Commissioners

Members, Officers and Advisers

Port St Mary Commissioners registered address is:

Town Hall
The Promenade
Port St Mary
Isle of Man
IM9 5DA

Members

The Board is made up of nine elected representatives. Their term of appointment operates from May 2016 until April 2020 (extended until April 2021 due to Covid-19). The Board members for the year ended 31 March 2020 were:

Dr Michelle Haywood (Chair)
Mr Norman McGregor Edwards (Vice Chairman)
Mr Alan Grace
Mr Alexander Merchant
Mr Laurence Vaughan Williams
Mr Robert Hirst (deceased November 2019)
Mr Andrew Phair (resigned November 2019)
Mr Ian Skelly (resigned November 2019)
Mrs Bernadette Williams

Officers

The Commissioners' Village Clerk for the period was Ms Hayley Fargher.

Advisers

The Commissioners internal auditor is Alexander Elliott and the external auditor is Baker Tilly Isle of Man LLC.

Their Registered Addresses are as follows:

Alexander Elliott
Sovereign House
Douglas, Isle of Man
IM1 2SD

Baker Tilly Isle of Man LLC
PO Box 95
2a Lord Street
Douglas
Isle of Man
IM99 1HP

Port St. Mary Village Commissioners

Explanatory Foreword

Authority's objectives

The objectives of the Board are to support the community of Port St Mary. We have a Vision statement setting out our goals and aims.

The Local Authority's primary duties are:

- to provide domestic and commercial refuse collection;
- to provide and maintain social housing;
- to maintain amenity spaces and community play equipment;
- to provide and maintain litter bins and seating in amenity areas;
- to maintain public conveniences;
- to sweep streets and clear drain gullies;
- parking control;
- dog bye law setting and enforcement;
- installation, maintenance and operation of street lighting.

The Commissioners also provide and maintain community assets such as the Town Hall complex, the rifle club, the golf course, allotments, tennis courts, croquet lawn and boat park. We work with neighboring Authorities to manage the Southern Civic Amenity Site, Southern Swimming Pool and Marashen Crescent Housing Committee. These bodies prepare and publish their own statement of accounts, which are separate to the ones published by Port St Mary Commissioners. Port St Mary Commissioners also provide Administration services to the Castletown and Malew Elderly Persons Housing Board.

Overall financial performance and results for the year

The financial performance of the Board resulted in a surplus on the general revenue reserve for the year of £53,676. As at 31 March 2020 the General Revenue retained reserve surplus was £78,293 (2019: £24,617). From 1 April 2019, rates were increased by 2.1% to 338p.

For the year ended 31 March 2020, the Authority required deficiency funding of £40,887 (2019: £37,986) in respect of social housing provision. This deficiency is paid from central government.

Significant achievements

The Board has continued to manage finances carefully, working on a zero-based budget approach with careful scrutiny of outgoings to maintain financial control. We purchased new vehicles for the workmen funded by a 10 year loan approved by the Government. The new vehicles have significantly reduced the maintenance and repair costs attributed to our old vehicles.

We have continued with our programme of civic events including the Mona's Queen service, Remembrance Day and the Celebration of Christmas. The Board reduction from 9 members to 7 will take effect from the next election. (The election was delayed from April 2020 until April 2021 due to the pandemic). The Board has continued to expand guidance for Commissioners, staff, residents and service users by developing a complaints policy that clearly states the steps we will take to address any issues that are raised. During the previous year we dealt with 10 Freedom of Information requests at a cost of £2,178.04.

Port St. Mary Village Commissioners

Explanatory Foreword – continued

Significant achievements - continued

Port St Mary Commissioners are responsible for 122 local authority houses and this year we have refurbished a number of bathrooms within those houses that were well overdue for replacement. The sheltered housing boards for Marashen Crescent and Castletown & Malew have been successfully merged. We continue to provide Clerk and administrative services to the new joint Board. We also provided administrative services to the Southern Civic Amenity Site Board (up until November 2019).

We planted and maintained the floral displays in the village. We have refurbished benches around the village and worked with a local artist to install a mural on the wall of the Town Hall. We have instigated wildlife friendly mowing policies that allow wildflowers to set seed before a late cutting takes place. We opened the toilet in the Town Hall for longer hours as it provides a warmer cleaner facility than Gellings Avenue toilets. During the summer months we provided portaloos on the Promenade for beach users.

Issues likely to shape future performance

In August 2019, the Board discussed a detailed report from Manx Utilities concerning the historic lack of maintenance of street lighting and the impact of earlier designs of lighting column. The Board has agreed to carry out further investigations, but it is likely that this will identify more failing columns and necessitate a large outlay on replacements. Thereafter the Board hopes to be able to plan and budget for replacements over the next 5 years.

The Board is currently selling two assets, Manxonia House and Gellings Avenue public conveniences, after providing more suitable conveniences at the Town Hall.

The Board intend to carry out restructuring work at Happy Valley, this will be done through a rate born loan facility subject to Treasury approval.

Port St. Mary Village Commissioners

Statement of Responsibilities for the Statement of Accounts

The Authority's responsibilities

The Authority is required to:

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

The Responsible Financial Officer's responsibilities

The Responsible Financial Officer is responsible for the preparation of the Authority's Statement of Accounts.

In preparing this Statement of Accounts, the Responsible Financial Officer has:

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

The Responsible Financial Officer has also:

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

Port St. Mary Village Commissioners

Report of the Independent Auditor to the Members of Port St Mary Village Commissioners for the year ended 31 March 2020

Opinion

We have audited the Statement of Accounts of of Port St Mary Village Commissioners for the year ended 31 March 2020 which comprise the Comprehensive Income and Expenditure Statement, the Statement of Movement on Reserves, the Balance Sheet, the Cash Flow Statement, the Statement of Accounting Policies and the related Notes to the Financial Statements. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the authority's affairs as at 31 March 2020 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of Accounts and Audit Regulations 2018 made under the Audit Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the authority in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Responsible Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Responsible Financial Officer has not disclosed in the Statement of Accounts any identified material uncertainties that may cast significant doubt about the authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Port St. Mary Village Commissioners

Report of the Independent Auditor to the Members of Port St Mary Village Commissioners for the year ended 31 March 2020 - continued

Other information

The Responsible Financial Officer is responsible for the other information. The other information comprises the information included in this report, other than the Statement of Accounts and our auditors report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Statement of Accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the section 6 of the Audit Act 2006 requires us to report to you if, in our opinion:

- the financial statements do not comply with the regulations made under section 12 of the Act and any directions under section 13; or
- any transaction effected by or on accounts of the authority is or will be contrary to law; or
- the internal organisation of the authority and the controls maintained by it are not sufficient as to secure proper management of the finances of the authority and economy and efficiency in the use of its resources.

Responsibilities of Responsible Financial Officer

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 6, 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, and for such internal control as the Responsible Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Responsible Financial Officer is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the authority intends to cease operations, or has no realistic alternative but to do so.

Port St. Mary Village Commissioners

Report of the Independent Auditor to the Members of Port St Mary Village Commissioners for the year ended 31 March 2020 - continued

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Responsible Financial Officer.
- Conclude on the appropriateness of the Responsible Financial Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement of Accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement of Accounts, including the disclosures, and whether the Statement of Accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Port St. Mary Village Commissioners

Report of the Independent Auditor to the Members of Port St Mary Village Commissioners for the year ended 31 March 2020 - continued

Use of our report

This report is made solely to the authority's members, as a body, in accordance with Section 6 of the Audit Act 2006. Our audit work has been undertaken so that we might state to the authority's members those matters we are required to state to them in an auditor's report 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 audit work, for this report, or for the opinions we have formed.

Baker Tilly Isle of Man LLC

Baker Tilly Isle of Man LLC
Chartered Accountants
PO Box 95
2a Lord Street
Douglas
Isle of Man
IM99 1HP

Date: *8 February 2021*

Port St. Mary Village Commissioners

Statement of Internal Control

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 Port St. Mary Village 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 Authority and the Responsible Financial Officer

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

The Authority 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 Authority.

In discharging this responsibility, the Authority 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 on-going 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.
- ***Authority meetings***
The Authority meets monthly and consists of a Chairman and 8 other Authority members. The Authority receive reports from the Authority's Officers on operational matters and ensure that the work of the Responsible Financial Officer and other senior officers supports the strategy and policy approved by the Authority.

Port St. Mary Village Commissioners

Statement of Internal Control (continued)

Review of internal control and corporate governance environment

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

Report on internal control and corporate governance environment

Attention is drawn to the fact that systems of internal control and corporate governance are designed to manage rather than eliminate the risk of failure to achieve objectives. They can therefore only provide reasonable and not absolute assurance. Accordingly, reasonable assurance is given that the Authority's internal control and corporate governance arrangements are adequate and operate effectively during the period ended 31 March 2020.

During the year ended 31 March 2020, the only high risk observation made was in relation to social media.

The RFO has met with the Authority to discuss the detailed findings of the report with a view to implementing, where practical, the key recommendations of the Internal Auditor.

(Signed) _____


(Chairman)

(Signed) _____


(Responsible Financial Officer)

(Dated) 29/1/2021

Port St. Mary Village Commissioners

Comprehensive Income and Expenditure Statement

for the year ended 31 March 2020

	Notes	Expenditure	Income	2020 Net	2019 Net
		£	£	£	£
Administration and general purposes		243,297	100,995	142,302	153,083
Direct labour – central costs		54,374	-	54,374	45,787
Property		102,373	40,832	61,541	69,954
Refuse collection		124,834	32,072	92,762	85,479
Public works		26,211	-	26,211	33,335
Street cleaning and car parks		26,937	-	26,937	34,182
Public conveniences		8,227	-	8,227	7,265
Parks and leisure		4,257	14,442	(10,185)	(11,101)
Maintenance of public areas		31,001	-	31,001	22,115
Public amenities		26,632	8,717	17,915	(6,597)
Guides and general advertising		1,667	-	1,667	1,678
Bad debt		1,652	-	1,652	2,941
Impairment of assets		1,659	-	1,659	132,657
Profit on disposal of assets		-	6,669	(6,669)	-
Fair value adjustment		-	-	-	189,943
Net current service cost of pensions	17	19,000	-	19,000	18,000
Net cost of General Fund services		672,121	203,727	(468,394)	(778,721)
Housing services	8	519,898	673,944	154,046	114,511
Housing deficiency	8	-	40,887	40,887	37,986
Net cost of services		1,192,019	918,558	(273,461)	(626,224)
Income from the General Rate Fund	7			462,923	453,137
Interest receivable and other income				526	307
Interest payable and similar charges				(163,589)	(168,893)
Net pension interest cost	17			(15,000)	(17,000)
Deficit on provision of services				11,399	(358,673)
Other comprehensive income and expenditure					
Remeasurement of net pension liability	17			14,000	69,000
Revaluation adjustment				-	811,283
Total comprehensive income and expenditure				25,399	521,610

Port St. Mary Village Commissioners

Balance Sheet

as at 31 March 2020

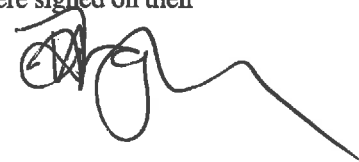
	Notes	2020	2019
		£	£
Fixed assets			
Tangible fixed assets	1	17,828,233	17,868,819
Intangible fixed assets	3	-	-
		<u>17,828,233</u>	<u>17,868,819</u>
Current assets			
Debtors	4	78,148	71,098
Cash at bank	14	125,269	176,029
		<u>203,417</u>	<u>247,127</u>
Current liabilities			
Short-term borrowing	6	(289,535)	(276,117)
Creditors	5	(242,820)	(160,908)
		<u>(532,355)</u>	<u>(437,025)</u>
		<u>(328,938)</u>	<u>(189,898)</u>
		<u>17,499,295</u>	<u>17,678,921</u>
Long-term liabilities			
Long-term borrowing	6	(4,946,796)	(5,171,817)
Net Pension liabilities	17	(660,000)	(640,000)
		<u>(5,606,796)</u>	<u>(5,811,817)</u>
Total assets less liabilities		<u>11,892,499</u>	<u>11,867,104</u>
Reserves:			
General revenue reserve		78,293	24,617
Housing maintenance reserve		14,602	25,241
Capital adjustment account		3,695,397	3,547,846
Revaluation reserve		8,758,796	8,903,989
Pension reserve		(660,000)	(640,000)
Capital receipts reserve		5,411	5,411
		<u>11,892,499</u>	<u>11,867,104</u>

The financial statements were approved by the Authority on 5/2/21 and were signed on their behalf by:

Chairman



RFO



Port St. Mary Village Commissioners

Cash Flow Statement

for the year ended 31 March 2020

	<i>Notes</i>	2020	2019
		£	£
Net deficit on provision of services		11,399	(358,673)
Adjustments to net deficit on provision of services for non-cash movements	11	595,929	823,992
Net cash flows from Operating Activities		607,328	465,319
Net cash flows from Investing Activities	12	(284,577)	(51,111)
Net cash flows from Financing Activities	13	(373,507)	(335,099)
Net (decrease)/increase in cash and cash equivalents		(50,756)	79,109
Cash & cash equivalents at the beginning of the reporting period		176,029	96,920
Cash & cash equivalents at the end of the reporting period	14	125,269	176,029

Port St. Mary Village Commissioners

Statement of Accounting Policies

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 Audit Act 2006 and the Accounts and Audit Regulations 2018. 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

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak a World pandemic. The COVID-19 pandemic has not had a significant, immediate impact on the authority's operations but the board is aware that if the current situation becomes prolonged then this may change. The primary impact of the pandemic on the authority is the potential impact on cash flow. However, after reviewing the budget of the authority, the board have a reasonable expectation that the authority has adequate resources to continue in operational existence for the foreseeable future. Therefore, these financial statements have been prepared on a going concern basis.

3. Income

(a) 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.

(b) Rentals

Rent revenue is measured at fair value of the consideration received or receivable and represents the amount receivable for the services rendered.

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.

Port St. Mary Village Commissioners

Statement of Accounting Policies (Continued)

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:

- Social Housing and all other tangible fixed assets 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).
- Non operational property are measured at market value.

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 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. All valuations are undertaken by a qualified valuer, using a professional valuer contracted to the authority.

Port St. Mary Village Commissioners

Statement of Accounting Policies (Continued)

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);
- 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);
- 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.

Port St. Mary Village Commissioners

Statement of Accounting Policies (Continued)

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:

Operational assets:

Property and dwellings	30 to 50 years
Building improvements	15 years
Community assets	15 years
Other buildings	20 to 30 years
Motor vehicles, plant and equipment	3 to 10 years
Street lighting	15 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.

(g) Investment property

Investment Properties are those that are used solely to earn rentals or for capital appreciation purposes. Properties that are used to facilitate the delivery of services are not Investment Properties.

Investment properties are measured initially at cost and subsequently at fair value. The assets are not depreciated but are subject to five yearly revaluation reviews according to market conditions at the year-end. All valuations are undertaken by a qualified valuer. Gains and losses on revaluation and disposal are posted to the Comprehensive Income and Expenditure Statement. These unrealised gains and losses are reversed out in the Statement of Movement on Reserves to the Revaluation reserve. Proceeds on the sale of such assets would be reversed out to the Capital Adjustment account.

Port St. Mary Village Commissioners

Statement of Accounting Policies (Continued)

7. Intangible fixed assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets have been amortised over the following useful economic lives of 5 years to the Comprehensive Income and Expenditure Account.

8. 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.

9. Government Grants and Contributions

Government grants and other third party contributions / donations are accounted for on an accruals basis and recognised when the conditions attached to the payments have been met and there is reasonable assurance that they will be received.

(a) Revenue Grants

Amounts due to the authority are credited to the Comprehensive Income and Expenditure Statement when the conditions attached to the grants or contributions are satisfied. Amounts advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line or non-specific Grant Income.

(b) Capital Grants

Amounts due as capital grants and contributions are credited to the Comprehensive Income and Expenditure Statement when the conditions attached to their receipt are satisfied. Amounts advanced for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the Comprehensive Income and Expenditure Statement.

Donations and grants toward the cost of capital assets are credited to deferred income, and released over the life of the asset to match the depreciation of the asset to which it relates.

(c) Housing Deficiency

Housing deficiency is accounted for on an accruals basis and represents an amount due in respect of the shortfall of housing income over housing expenditure in the year in accordance with the housing deficiency scheme operated by the Department of Infrastructure.

10. 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.

Port St. Mary Village Commissioners

Statement of Accounting Policies (Continued)

11. 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.

12. 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, 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.

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'.

Port St. Mary Village Commissioners

Statement of Accounting Policies (Continued)

13. 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.

14. 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.

Housing Maintenance Reserve: set up to hold surplus monies received from housing rents less expenditure incurred.

Capital Receipts Reserve: these are amounts of capital monies received to be used to finance future capital expenditure.

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.

Port St. Mary Village Commissioners

Significant Judgements and Estimates

(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 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 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 Government in terms of deficiency.
- 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.

Port St. Mary Village Commissioners

Notes to the financial statements

1. Tangible fixed assets

	Other Land and Property	Social Housing	Street Lighting	Motor Vehicles, Plant and Equipment	Total
Cost/Value	£	£	£	£	£
At 1 April 2019	3,236,742	14,557,225	135,779	134,830	18,064,576
Additions in the year	13,565	212,939	11,080	53,662	291,246
Disposals in year	-	-	-	(27,872)	(27,872)
Impairment	(1,659)	-	-	-	(1,659)
At 31 March 2020	3,248,648	14,770,164	146,859	160,620	18,326,291
Depreciation					
As at 1 April 2019	-	-	69,739	126,018	195,757
Charge for the year	34,520	267,742	9,791	18,120	330,173
Disposals in the year	-	-	-	(27,872)	(27,872)
Impairment	-	-	-	-	-
At 31 March 2020	34,520	267,742	79,530	116,266	498,058
Net book value					
At 31 March 2020	3,214,128	14,502,422	67,329	44,354	17,828,233
At 31 March 2019	3,236,742	14,557,225	66,040	8,812	17,868,819

Included within Other Land and Property above are Investment Property as shown below:

	Investment Properties
	£
Non-Operational assets	
Valuation	
At 31 March 2019	631,000
Additions in the year	-
Revaluation in the year	-
At 31 March 2020	631,000

Valuation of fixed assets

The Authority plans to fully revalue its fixed assets every five years. Valuations have been carried out by Black Grace Cowley Limited, Chartered Surveyors as at 31 March 2019.

Historical cost of revalued fixed assets

Included within the above are assets with a historical cost as follows:

Land and Property - £9,104,145 (2019: £8,936,494)

Port St. Mary Village Commissioners

Within Land and Property are Social Housing Land and Property with a historical cost of £7,969,429 (2019: £7,794,216).

Notes to the financial statements (Continued)

2. Assets held

Operational assets	Number at 31 March 2019	Changes 2019/20	Number at 31 March 2020
Dwellings			
Dwellings – Houses and bungalows	106	-	106
Dwellings – flats and maisonettes	16	-	16
Other Land and Buildings			
Car parks	4	-	4
Depots	1	-	1
Public Conveniences	2	-	2
Public Halls / offices	2	-	2
Community Assets			
Golf course / recreational areas	1	-	1
Parks, gardens and open spaces	7	-	7
Non-Operational assets			
Commercial properties	2	-	2
Other properties	3	-	3
Agricultural land	1	-	1
Garages (general fund)	10	-	10

3. Intangible Fixed Assets

These represent software items which are amortised over 5 years.

Cost	£
At 1 April 2019	10,000
Additions in the year	-
At 31 March 2020	<u>10,000</u>
Amortisation	
At 1 April 2019	10,000
Amortisation in the year	-
At 31 March 2020	<u>10,000</u>
Net Book Value	
At 31 March 2020	-
At 31 March 2019	-

Port St. Mary Village Commissioners

Notes to the financial statements (Continued)

4. Debtors and prepayments

	2020 £	2019 £
Amounts falling due in one year (net of bad debt provisions):		
Trade debtors	1,789	2,791
Central Government	6,996	3,610
Public authorities	46,369	7,879
Other local authorities	6,001	16,393
Ratepayers	3,259	3,241
Housing rents	10,052	7,608
Sundry debtors	1,369	1,187
Prepayments	2,313	28,389
	<u>78,148</u>	<u>71,098</u>

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

	2020 £	2019 £
Trade debtors	3,437	600
Ratepayers	13,636	13,381
Housing rents	11,962	8,408

5. Creditors

	2020 £	2019 £
Current liabilities:		
Central Government	2,611	3,999
Public authorities	-	3,733
Deferred income	17,222	-
Housing rents	19,624	14,309
Trade creditors	82,634	47,622
Sundry creditors and accruals	87,098	81,619
Government departments	33,631	9,626
	<u>242,820</u>	<u>160,908</u>

Port St. Mary Village Commissioners

Notes to the financial statements (Continued)

6. Long term borrowing

Loans outstanding may be analysed as follows:

	2020 £	2019 £
Falling due within one year:		
Commercial loans	<u>289,535</u>	<u>276,117</u>
Total falling due within one year	<u><u>289,535</u></u>	<u><u>276,117</u></u>
Falling due after more than one year:		
Commercial loans	<u>4,946,796</u>	<u>5,171,817</u>
Total falling due after more than one year	<u><u>4,946,796</u></u>	<u><u>5,171,817</u></u>
Total loan term borrowing	<u><u>5,236,331</u></u>	<u><u>5,447,934</u></u>

In prior years the authority has taken out Isle of Man Bank loan finance to fund long term capital projects. Each of these loans are unsecured, repayable in instalments over a period of between 15 and 30 years. The interest charged on these loans varies between 4.95% and 5.60% on fixed term loans and at LIBOR plus 0.65% on variable rate loans.

In the current year and for the foreseeable future, loans will be provided by HSBC Bank via variable rate loans.

Loans with HSBC Bank are repayable between 10 and 15 years with interest charged at 0.95% above LIBOR.

Such loans have been sanctioned on a loan by loan basis by both Treasury and the Department of Infrastructure and/or the Department of Health and Social Care and are secured by way of a Letter of Comfort issued by Treasury.

Port St. Mary Village Commissioners

Notes to the financial statements (Continued)

7. General Rate Account

	£	2020 £	£	2019 £
General rates levied for the year		486,697		476,464
Add:				
Due from Treasury re prior year		2,843		2,518
Arrears brought forward		16,621		12,345
		<u>506,161</u>		<u>491,327</u>
Less:				
Discounts	18,549		18,292	
Exempt and uninhabitable properties	5,225		5,036	
Collection charges	5,226		5,090	
		<u>(29,000)</u>		<u>(28,418)</u>
Treasury write (off)/back		(30)		168
Total rates collectable		<u>477,131</u>		<u>463,077</u>
Rates received in the year:				
Current year rates		444,182		438,721
Arrears collected		6,214		2,374
Balance from Treasury re prior year		2,843		2,518
		<u>453,239</u>		<u>443,613</u>
Balances outstanding carried forward:				
Due from Treasury re current year	6,996		2,843	
Arrears – current year	6,519		6,482	
– previous years	10,377		10,139	
		<u>23,892</u>		<u>19,464</u>
		<u>477,131</u>		<u>463,077</u>
			2020	2019
			£	£
General rates levied for the year		486,697	486,697	476,464
Less: Discounts, exempt/uninhabitable properties & refunds		(23,774)	(23,774)	(23,327)
Per Comprehensive Income and Expenditure Statement		<u>462,923</u>	<u>462,923</u>	<u>453,137</u>

Port St. Mary Village Commissioners

Notes to the financial statements (Continued)

8. Housing Revenue Income and Expenditure

	2020	2019
	£	£
Income		
Dwelling rents (including rates)	673,944	666,775
Housing Deficiency Receivable	40,887	37,986
	<u>714,831</u>	<u>704,761</u>
Total income		
Expenditure		
Repairs and maintenance	100,567	97,953
Supervision and management	32,631	31,357
Rents, rates, taxes and other charges	118,958	120,779
Depreciation & impairment charges	267,742	302,175
	<u>519,898</u>	<u>552,264</u>
Net cost of Housing Services before interest and loan repayments	<u><u>194,933</u></u>	<u><u>152,497</u></u>

Included in rents, rates, taxes and other charges above is £97,697 of rates charged in respect of the commissioners' tenanted properties, this amount is also included in Income from the General Rate Fund shown in the Comprehensive Income & Expenditure Account.

Similarly, supervision and management costs of £32,631 are also reported as income in the Comprehensive Income & Expenditure Account as administration allowance income.

Dwelling rent income

Dwelling rent income is the total rent due for the year after voids, write-offs, refunds etc. Voids represent 1.06% of the rental debit for the year (2019: 0.57%).

Rent arrears	2020	2019
	£	£
Rent arrears	10,052	7,608
Rent arrears as a percentage of gross rent income	<u>1.69%</u>	<u>1.3%</u>

Arrears written off during the year amounted to £Nil (2019: £Nil) and an increase of £3,554 (2019: £7,108) was made in the provision for bad and doubtful rental debts. As at 31 March 2020 the provision stood at £11,959 (2019: £8,405).

Port St. Mary Village Commissioners

Notes to the financial statements (Continued)

8. Housing Revenue Income and Expenditure – continued

Housing deficiency grant

Housing deficiency grant is paid from central government to meet the shortfall which might be incurred by the Authority. The amount of deficiency is calculated as follows:

	2020	2019
	£	£
Opening balance payable	767	(35,446)
Deficiency grant required	40,887	37,986
Payment made to Department of Infrastructure	-	35,446
Payments received from Department of Infrastructure	(75,285)	(37,219)
	<u>767</u>	<u>(35,446)</u>
Closing balance payable	<u>(33,631)</u>	<u>767</u>

9. Employee remuneration

The number of employees whose remuneration, excluding pension contributions, was £50,000 or more in bands of £25,000 was:

	2020	2019
	Number of	Number of
	Employees	Employees
Remuneration Band		
£50,000 – £74,999	1	1

Key management compensation

Key management personnel compensation paid amounted to £68,644 including employers pension contributions (2019: £68,206).

Members' allowances

During the year the Authority paid £2,721 to its members in respect of their attendance at meetings, undertaking duties and responsibilities (2019: £5,023). At 31 March 2020, £Nil was payable in this respect (2019: £Nil).

Port St. Mary Village Commissioners

Notes to the financial statements (Continued)

10. 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.

During the year Port St Mary was charged £85,913 (2019: £85,098) in respect of refuse, street lighting and other costs.

Furthermore, Central Government will meet the social housing deficiency as detailed on page 30 amounting to £40,887 (2019: £37,986). At the year end Port St Mary owed Central Government £2,611 (2019: £24) in respect of costs incurred and £33,6317 was due to Central Government (2019: £767 due from) in respect of excess deficiency monies received or paid on account.

With effect from 1 April 2013 Port St Mary Commissioners took over the management support of Marashen Crescent Housing Committee and are related by virtue of common influence.

During the year, Marashen Crescent was charged £80,888 (2019: £60,070) in respect of administration charges and repairs. Within debtors is an amount of £540 (2019: £2,106) due to Port St Mary Commissioners and within creditors is an amount of £Nil (2019: £98) due by Port St Mary Commissioners. During the year, Marashen Crescent was charged £51,165 (2019: £49,930) by Port St Mary Commissioners in respect of rates. No amounts were outstanding at either 31 March 2019 or 2020.

During the year, Southern Civic Amenity Site was charged £21,181 (2019: £18,000) in respect of administration charges and repairs. In addition, £18,038 was received in respect of amenity site rental (2019: £17,651). Port St Mary Commissioners have paid £32,271 (2019: £30,438) in respect of amenity site costs and other costs for the year. Within debtors is an amount of £Nil (2019: £11,872) due to Port St Mary Commissioners in this respect and within creditors is an amount of £Nil (2019: £207) due by Port St Mary Commissioners.

During the year, Castletown & Malew Elderly Persons Housing Committee was charged £24,348 and £13,429 (2019: £10,144 and £20,851) by Port St Mary Commissioners in respect of housing administration charges and other costs respectively. No amounts were outstanding at either 31 March 2019 or 2020. In addition rents were collect by Port St Mary Commissioners on their behalf totalling £197,413 (2019: £63,337). This agreement to provide services started on 1 October 2018.

During the year, Port St Mary Commissioners was charged £46,226 (2019: £28,680) by Manx Utilities Authority in respect of electricity charges. £2,838 was outstanding at 2020 (2019: £Nil).

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

Officers of the Authority - no related party disclosures arose in relation to officers other than the invoicing of £362 of refuse costs (2019: £236) to Cornerhouse Coffeeshop which is owned by Andrew Phair, a Commissioner. At the year end an amount of £Nil (2019: £Nil) was owed in this respect.

Port St. Mary Village Commissioners

Notes to the financial statements (Continued)

11. 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:

	2020	2019
	£	£
Depreciation, impairment & revaluation losses for non-current assets	331,832	701,301
Profit on sale of fixed assets	(6,669)	-
Release of deferred liability	-	(26,521)
(Decrease)/increase in creditors	81,912	(105,150)
Decrease/(increase) in debtors	(7,050)	50,776
Financing activities	161,904	168,586
Difference between FRS102 pension cost and contributions paid	34,000	35,000
	<u>595,929</u>	<u>823,992</u>

12. Cash flow statement – Investing activities

	2020	2019
	£	£
Purchase of fixed assets	(291,246)	(51,111)
Proceeds on sale of assets	6,669	-
	<u>(284,577)</u>	<u>(51,111)</u>

13. Cash flow statement – Financing activities

	2020	2019
	£	£
Cash receipts from short-term and long-term borrowing	64,337	51,766
Repayments of short-term and long-term borrowing	(275,940)	(265,432)
Decrease in short term deposits	-	46,980
Loan interest paid	(162,430)	(168,720)
Interest received	526	307
	<u>(373,507)</u>	<u>(335,099)</u>

14. Cash flow statement – cash & cash equivalents

	2020	2019
	£	£
Cash at Bank and in hand	<u>125,269</u>	<u>176,029</u>

Port St. Mary Village Commissioners

Notes to the financial statements (Continued)

15. Audit fees

During the year the Authority incurred external audit fees of £7,600 (2019: £7,500).

16. Total rateable value

The total rateable value of the Village at 31 March 2020 is £144,192 (2019: £143,932) at the year end with a 338p rate being charged (2019: 331p).

17. 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 2020 by independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

	31 March 2020	31 March 2019
Rate of increase in salaries	2.75%	3.25%
Rate of increase in pensions	1.95%	2.45%
Rate for discounting scheme liabilities	2.35%	2.40%

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 2020 Years
Longevity at the age of 65 for current pensioners	
• Men	21.1
• Women	24.1
Longevity at the age of 65 for future pensioners	
• Men	22.5
• Women	25.5

Port St. Mary Village Commissioners

Notes to the financial statements (Continued)

17. Post employment benefits – continued

Reconciliation of scheme assets and liabilities:

	Assets £	Liabilities £	Net liability £
At 1 April 2019	1,652,000	2,292,000	640,000
Benefits paid	(35,000)	(35,000)	-
Plan participants contributions	17,000	17,000	-
Employer contributions	74,000	-	(74,000)
Current service cost	(6,000)	87,000	93,000
Interest income/(expense)	40,000	55,000	15,000
Remeasurement gains/(losses)			
• Actuarial losses	(35,000)	(169,000)	(134,000)
• Return on plan assets excluding interest income	(120,000)	-	120,000
	<u>1,587,000</u>	<u>2,247,000</u>	<u>660,000</u>
At 31 March 2020	<u>1,587,000</u>	<u>2,247,000</u>	<u>660,000</u>

Total cost recognised as an expense:

	2020 £	2019 £
Current service cost	93,000	79,000
Interest cost	55,000	57,000
	<u>148,000</u>	<u>136,000</u>

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

	2020 %	2019 %
Equity instruments	46	50
Bonds	37	32
Property	16	15
Cash	1	3
	<u>100</u>	<u>100</u>

The local authority's share of the return on plan assets was:

	2020 £	2019 £
Interest income	40,000	40,000
Return on plan assets less interest income	(120,000)	47,000
	<u>(80,000)</u>	<u>87,000</u>

Port St. Mary Village Commissioners

Notes to the financial statements (Continued)

18. Capital commitments

The estimated commitments for capital expenditure that had started, or legal contracts entered into are:

	31 March 2020	31 March 2019
	£	£
Bathroom refurbishment scheme	59,884	-

Port St. Mary Village Commissioners

Detailed Income and Expenditure Account for the year ended 31 March 2020

	2020	2020	2019	2019
	£	£	£	£
Administration and general purposes				
Salaries, office wages, NIC etc	159,935		125,351	
Contract personnel costs	-		34,738	
Manual wages	284		13	
Audit fees	7,207		8,286	
Accountancy	7,900		14,393	
Internal audit	3,323		3,100	
Legal and professional costs	15,408		10,162	
Printing and stationery	3,138		3,564	
Photocopying	1,174		2,234	
Staff training	3,583		3,247	
Incidentals	513		415	
Election expenses	-		3,682	
Memberships and subscriptions	271		270	
Bank charges	2,381		1,988	
Attendance allowance	2,721		5,023	
Computer charges	5,594		4,427	
Office running costs	16,698		13,528	
Telephone	4,874		5,239	
Donations	433		-	
Civic events	2,634		6,546	
Rate collection costs	5,226		5,090	
	<u> </u>	243,297	<u> </u>	251,296
Less: Income				
Housing administration fee	32,631		31,357	
C&M EPH administration fee	20,290		10,144	
Marashen EPH administration fee	30,591		30,493	
Amenity site administration fee	10,500		18,000	
Search fees	3,900		4,100	
Rates surfeit	3,083		3,519	
Incidentals	-		600	
	<u> </u>	(100,995)	<u> </u>	(98,213)
		<u> </u>		<u> </u>
		142,302		153,083
		<u> </u>		<u> </u>
Direct labour – Central costs				
Manual workers – holiday, unallocated, supervising etc		20,363		25,665
Manual workers – sick pay		8,198		7,034
Vehicle costs, fuel and depreciation		25,297		12,481
Vehicles – wages		516		607
		<u> </u>		<u> </u>
		54,374		45,787
		<u> </u>		<u> </u>

This page does not form part of the audited financial statements

Port St. Mary Village Commissioners

Detailed Income and Expenditure Account (continued) for the year ended 31 March 2020

	2020 £	2020 £	2019 £	2019 £
Property				
Depreciation	34,520		59,077	
Insurance	19,556		15,981	
Town Hall costs (maintenance, heat, light, & rates)	35,032		16,481	
Town Hall maintenance wages	4,346		8,222	
Monas Queen costs	600		-	
Manxonia House running costs	3,202		2,747	
Store	3,516		5,949	
Store – wages	1,601		1,266	
		102,373		109,723
Less: Income				
Town Hall hire	10,943		10,279	
Mast income	9,875		9,607	
Monas Queen	1,940		-	
Rent – garages	9,218		11,529	
Rent – other	8,856	(40,832)	8,354	(39,769)
		61,541		69,954
Refuse				
Wages	16,688		15,272	
Refuse expenses	59,675		54,839	
Vehicle Expenses	16,250		15,661	
Refuse bins	151		758	
Amenity site costs	29,836		28,664	
Refuse sacks and misc	2,234		1,370	
		124,834		116,564
Less: Income				
Collection of refuse	14,421		13,434	
Amenity site lease rental	17,651		17,651	
		(32,072)		(31,085)
		92,762		85,479

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Port St. Mary Village Commissioners

Detailed Income and Expenditure Account (continued) for the year ended 31 March 2020

	2020 £	2020 £	2019 £	2019 £
Public Works				
Street lighting		16,395		24,227
Street lighting - depreciation		9,791		9,052
Street lighting - wages		25		56
		<u>26,211</u>		<u>33,335</u>
Street cleaning and car parks				
Street cleaning – and maintenance of footpaths		5,514		10,713
Street cleaning - wages		20,248		23,252
Car parks		1,175		217
		<u>26,937</u>		<u>34,182</u>
Public conveniences				
Wages		4,340		3,960
General expenses		3,887		3,305
		<u>8,227</u>		<u>7,265</u>
Parks and Leisure				
Maintenance	3,444		4,960	
Misc. inc rates & insurance	813		689	
		<u>4,257</u>		<u>5,649</u>
Less: Income				
Fees – golf	1,000		1,000	
Rents	13,422		15,750	
		<u>(14,422)</u>		<u>(16,750)</u>
		<u>(10,165)</u>		<u>(11,101)</u>
Maintenance of public areas				
Gardening & bedding plants		31,001		22,115
		<u>31,001</u>		<u>22,115</u>

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Port St. Mary Village Commissioners

Detailed Income and Expenditure Account (continued) for the year ended 31 March 2020

	2020	2020	2019	2019
	£	£	£	£
Public Amenities				
Annual contribution to Southern Local Authority				
Swimming Pool		3,596		3,598
Memorials		1,194		2,702
Memorial - wages		1,358		1,474
Outdoor seating		1,768		534
Outdoor seating – wages		6,867		6,396
Playground equipment		701		2,451
Playground – wages		2,253		1,806
Christmas tree		4,765		2,629
Christmas tree – wages		1,290		896
Signage		949		968
Chapel Beach – cleaning & bathing raft		1,499		992
Miscellaneous		392		3
Depreciation - Anchor		-		1,010
		<u>26,632</u>		<u>25,459</u>
Less: Income				
Memorial seats subscriptions		(3,493)		(747)
Release of deferred income		-		(26,521)
PSM recharges		(5,224)		(4,788)
		<u>17,915</u>		<u>(6,597)</u>
Guides and general advertising				
Plaques and flags		429		286
Flags – wages		1,238		1,392
		<u>1,667</u>		<u>1,678</u>
Bad Debt provision		1,621		3,109
Bad Debt write off		31		(168)
		<u>1,650</u>		<u>2,941</u>

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