

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

For the year ended 31 March 2021

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 was made up of nine elected representatives until this was reduced to 7 with effect from August 2021. Their term of appointment operated from May 2016 until April 2020, extended until August 2021 due to Covid-19. The Board members for the year ended 31 March 2021 were:

Dr Michelle Haywood (Chair)
Mr Norman McGregor Edwards (Vice Chairman)
Mr Alan Grace
Mr Alexander Merchant
Mr Laurence Vaughan Williams
Mrs Bernadette Williams

In July 2021, following the local authority elections, the Commissioners were appointed as follows:

Mrs Bernadette Williams (Chair)
Mr Alan Grace (Vice Chair)
Mr Norman McGregor Edwards
Mr Laurence Vaughan-Williams
Mrs Rebecca Gelling

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 £189,086. As at 31 March 2021 the General Revenue retained reserve surplus was £267,379 (2020: £78,293). From 1 April 2020, rates were increased by 2.4% to 346p.

For the year ended 31 March 2021, the Authority required deficiency funding of £36,890 (2020: £40,887) 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.

During the global Covid-19 pandemic, the Board sought the opportunity to improve and relocate the office facilities within the Town Hall. Improved facilities allow for social distancing, easier ramped access and a more open and welcoming environment for both staff and visitors. The office refurbishment scheme cost £15,049

Due to the global pandemic, our civic events were unfortunately reduced, including an intimate Mona's Queen service to mark the 80th anniversary, 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 July 2021 due to the pandemic). The Board has continued to expand guidance for Commissioners and staff by developing a Social Media Policy and a Management of Green Areas Policy, this is reviewed and updated regularly in order to assist and promote the Islands Biosphere status.

Port St. Mary Village Commissioners

Explanatory Foreword – continued

Significant achievements - continued

Port St Mary Commissioners are responsible for 122 local authority house, unfortunately due to the pandemic, only emergency and essential maintenance has been carried out. The sheltered housing boards for Marashen Crescent and Castletown & Malew were successfully merged on 1 April 2020 to create the Southern Sheltered Housing Joint Board. We continue to provide Clerk and administrative services to the new joint Board.

A new ride on mower was purchased at the cost of £12,400.

In December 2020, the Board sold Manxonia House on the open market for £228,058

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 2021, work will commence to secure and upgrade the structure at Happy Valley, this will include retaining the shelters feature and installation of multifunctional lighting. The scheme is due to be completed by the end of October 2021 and a total of £ 180,158 has been approved for borrowing from Treasury to fund the scheme.

Subject to approval from the Department of Infrastructure, the Board intend to utilise the funds from the sale of Manxonia House to improve play park flooring at Clifton Road, replace the tennis courts fencing and resurface and improve the facilities at the Boat Park.

The Board is currently selling one asset, Gellings Avenue public conveniences, after providing more suitable conveniences at the Town Hall.

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 2021

Opinion

We have audited the Statement of Accounts of of Port St Mary Village Commissioners for the year ended 31 March 2021 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 2021 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 2021 - 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 2021 - 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 2021 - continued

Auditor's responsibilities for the audit of the Statement of Accounts (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Irregularities including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Examples of the procedures which we performed included:

- Gaining an understanding of the legal and regulatory framework applicable to Port St Mary Village Commissioners including, but not limited to, the Accounts and Audit Regulations 2018, Local Government Act 1985, Local Government Act 2006, Rating and Valuation Act 1953, Public Health Act 1990, Housing Act 1955 and Companies Act 2006 and identified the principal risks of non-compliance with the relevant laws and regulations and whether non-compliance would have a material effect on the financial statements;
- Enquiring of the management team and with the Company's/Council's legal team, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Using analytical procedures to identify any unusual or unexpected relationships;
- Reviewing minutes of meetings held throughout the year and post year end;

Documenting each of the material accounting processes and performing detailed walkthroughs to confirm that they are operating effectively and in line with our understanding;

- Agreeing the financial statements' disclosures to underlying supporting documentation; and
- Reviewing the internal audit reports prepared in so far as they relate to the financial statements.
-

We also addressed the risk of management override of internal controls, principally the posting of inappropriate journals and management bias in accounting estimates, and evaluated whether there is evidence of bias by the Directors/management that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, however it typically involves selecting a limited number of items for testing rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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 2021 - 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: *15 November 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 5 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 2021.

During the year ended 31 March 2021, there were no high risk observation made.

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) B Williams

(Chairman)

(Signed) [Signature]

(Responsible Financial Officer)

(Dated) 10/11/21

Port St. Mary Village Commissioners

Comprehensive Income and Expenditure Statement

for the year ended 31 March 2021

	Notes	Expenditure	Income	2021 Net	2020 Net
		£	£	£	£
Administration and general purposes		258,379	86,448	171,931	142,302
Direct labour – central costs		68,840	-	68,840	54,374
Property		85,993	32,254	53,739	61,541
Refuse collection		142,683	30,076	112,607	92,762
Public works		26,052	-	26,052	26,211
Street cleaning and car parks		27,712	-	27,712	26,937
Public conveniences		9,581	-	9,581	8,227
Parks and leisure		2,402	13,644	(11,242)	(10,185)
Maintenance of public areas		23,739	-	23,739	31,001
Public amenities		20,932	165	20,767	17,915
Guides and general advertising		1,948	-	1,948	1,667
Bad debt		9,080	-	9,080	1,652
Impairment of assets		-	-	-	1,659
Profit on disposal of assets		9,126	-	9,126	(6,669)
Net current service cost of pensions	17	21,000	-	21,000	19,000
Net cost of General Fund services		707,467	162,587	(544,880)	(468,394)
Housing services	8	525,948	684,802	158,854	154,046
Housing deficiency	8	-	36,890	36,890	40,887
Net cost of services		1,233,415	884,279	(349,136)	(273,461)
Income from the General Rate Fund	7			473,761	462,923
Interest receivable and other income				537	526
Interest payable and similar charges				(138,095)	(163,589)
Net pension interest cost	17			(15,000)	(15,000)
(Deficit)/surplus on provision of services				(27,933)	11,399
Other comprehensive income and expenditure					
Remeasurement of net pension liability	17			(373,000)	14,000
Total comprehensive income and expenditure				(400,933)	25,399

Port St. Mary Village Commissioners

Statement of Movement on Reserves for the year ended 31 March 2021

	General revenue reserve £	Capital adjustment account £	Revaluation reserve £	Capital receipts reserve £	Housing maintenance reserve £	Pensions Reserve £
Total comprehensive income and expenditure	(27,933)	-	-	-	-	(373,000)
Depreciation and impairment of fixed assets	62,310	(205,514)	(141,309)	-	284,513	-
Loss on sale of fixed assets	9,127	(9,127)	-	-	-	-
Net charges made for retirement benefits	36,000	-	-	-	-	(36,000)
Loan fund principal repayments	(6,434)	309,241	-	-	(302,807)	-
Fixed assets financed from General Fund	(48,652)	48,652	-	-	-	-
Fixed assets financed from Housing Revenue reserve	-	19,750	-	-	(19,750)	-
Proceeds on sale of assets	222,874	(222,874)	-	-	-	-
Transfer to/(from) Housing Maintenance Reserve Account	(58,206)	-	-	-	58,206	-
Balance brought forward	189,086	(59,872)	(141,309)	-	20,162	(409,000)
	78,293	3,695,397	8,758,796	5,411	14,602	(660,000)
Balance carried forward	267,379	3,635,525	8,617,487	5,411	34,764	(1,069,000)

Port St. Mary Village Commissioners

Statement of Movement on Reserves for the year ended 31 March 2020

	General revenue reserve £	Capital adjustment account £	Revaluation reserve £	Capital receipts reserve £	Housing maintenance reserve £	Pensions Reserve £
Total comprehensive income and expenditure	11,399	-	-	-	-	14,000
Depreciation and impairment of fixed assets	62,431	(184,980)	(145,193)	-	267,742	-
Net charges made for retirement benefits	1,659	(1,659)	-	-	-	-
Profit on sale of fixed assets	(6,669)	6,669	-	-	-	-
Net charges made for retirement benefits	34,000	-	-	-	-	(34,000)
Loan fund principal repayments	(3,219)	275,829	-	-	(272,610)	-
Fixed assets financed from General Fund	(13,970)	13,970	-	-	-	-
Fixed assets financed from Housing Revenue reserve	-	37,726	-	-	(37,726)	-
Transfer to/(from) Housing Maintenance Reserve Account	(31,955)	-	-	-	31,955	-
Balance brought forward	53,676	147,551	(145,193)	-	(10,639)	(20,000)
	24,617	3,547,846	8,903,989	5,411	25,241	(640,000)
Balance carried forward	78,293	3,695,397	8,758,796	5,411	14,602	(660,000)

Port St. Mary Village Commissioners

Balance Sheet

as at 31 March 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible fixed assets	1		17,360,538		17,828,233
Intangible fixed assets	3		-		-
			<u>17,360,538</u>		<u>17,828,233</u>
Current assets					
Debtors	4	74,253		78,148	
Cash at bank	14	474,957		125,269	
		<u>549,210</u>		<u>203,417</u>	
Current liabilities					
Short-term borrowing	6	(313,636)		(289,535)	
Creditors	5	(173,110)		(242,820)	
		<u>(486,746)</u>		<u>(532,355)</u>	
			<u>62,464</u>		<u>(328,938)</u>
			<u>17,423,002</u>		<u>17,499,295</u>
Long-term liabilities					
Long-term borrowing	6	(4,862,436)		(4,946,796)	
Net Pension liabilities	17	(1,069,000)		(660,000)	
		<u>(5,931,436)</u>		<u>(5,606,796)</u>	
Total assets less liabilities			<u>11,491,566</u>		<u>11,892,499</u>
Reserves:					
General revenue reserve			267,379		78,293
Housing maintenance reserve			34,764		14,602
Capital adjustment account			3,635,525		3,695,397
Revaluation reserve			8,617,487		8,758,796
Pension reserve			(1,069,000)		(660,000)
Capital receipts reserve			5,411		5,411
			<u>11,491,566</u>		<u>11,892,499</u>

The financial statements were approved by the Authority on 10/11/21 and were signed on their behalf by:

Chairman

BWilliams

RFO



Port St. Mary Village Commissioners

Cash Flow Statement

for the year ended 31 March 2021

	<i>Notes</i>	2021	2020
		£	£
Net (deficit)/surplus on provision of services		(27,933)	11,399
Adjustments to net (deficit)/surplus on provision of services for non-cash movements	11	461,796	595,925
Net cash flows from Operating Activities		433,863	607,324
Net cash flows from Investing Activities	12	111,747	(284,577)
Net cash flows from Financing Activities	13	(195,922)	(373,507)
Net increase/(decrease) in cash and cash equivalents		349,688	(50,760)
Cash & cash equivalents at the beginning of the reporting period		125,269	176,029
Cash & cash equivalents at the end of the reporting period	14	474,957	125,269

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 2020	3,248,648	14,770,164	146,859	160,620	18,326,291
Additions in the year	19,090	62,476	10,062	19,500	111,128
Disposals in year	(250,000)	-	-	-	(250,000)
At 31 March 2021	3,017,738	14,832,640	156,921	180,120	18,187,419
Depreciation					
As at 1 April 2020	34,520	267,742	79,530	116,266	498,058
Charge for the year	35,793	284,513	10,461	16,056	346,823
Disposals in the year	(18,000)	-	-	-	(18,000)
At 31 March 2021	52,313	552,255	89,991	132,322	826,881
Net book value					
At 31 March 2021	2,965,425	14,280,385	66,930	47,798	17,360,538
At 31 March 2020	3,214,128	14,502,422	67,329	44,354	17,828,233

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

	Investment Properties
	£
Non-Operational assets	
Valuation	
At 31 March 2020	631,000
Additions in the year	-
Revaluation in the year	-
At 31 March 2021	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 - £9,185,711 (2020: £9,104,145)

Within Land and Property are Social Housing Land and Property with a historical cost of £8,031,905 (2020: £7,969,429).

Port St. Mary Village Commissioners

Notes to the financial statements (Continued)

2. Assets held

Operational assets	Number at 31 March 2020	Changes 2020/21	Number at 31 March 2021
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 2020	10,000
Additions in the year	-
At 31 March 2021	<u>10,000</u>
Amortisation	
At 1 April 2020	10,000
Amortisation in the year	-
At 31 March 2021	<u>10,000</u>
Net Book Value	
At 31 March 2021	-
At 31 March 2020	<u>-</u>

Port St. Mary Village Commissioners

Notes to the financial statements (Continued)

4. Debtors and prepayments

	2021 £	2020 £
Amounts falling due in one year (net of bad debt provisions):		
Trade debtors	15,960	1,789
Central Government	6,666	6,996
Public authorities	14,965	46,369
Other local authorities	-	6,001
Ratepayers	8,639	3,259
Housing rents	21,492	10,052
Sundry debtors	1,810	1,369
Prepayments	4,721	2,313
	<u>74,253</u>	<u>78,148</u>

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

	2021 £	2020 £
Trade debtors	3,963	3,437
Ratepayers	22,578	13,636
Housing rents	14,930	11,962

5. Creditors

	2021 £	2020 £
Current liabilities:		
Central Government	-	2,611
Deferred income	24,935	17,222
Housing rents	15,421	19,624
Trade creditors	12,026	82,634
Sundry creditors and accruals	86,424	87,098
Government departments	34,304	33,631
	<u>173,110</u>	<u>242,820</u>

Port St. Mary Village Commissioners

Notes to the financial statements (Continued)

6. Long term borrowing

Loans outstanding may be analysed as follows:

	2021 £	2020 £
Falling due within one year: Commercial loans	<u>313,636</u>	<u>289,535</u>
Total falling due within one year	<u><u>313,636</u></u>	<u><u>289,535</u></u>
Falling due after more than one year: Commercial loans	<u>4,862,436</u>	<u>4,946,796</u>
Total falling due after more than one year	<u><u>4,862,436</u></u>	<u><u>4,946,796</u></u>
Total loan term borrowing	<u><u>5,176,072</u></u>	<u><u>5,236,331</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

	2021	2020
	£	£
General rates levied for the year	498,723	486,697
Add:		
Due from Treasury re prior year	6,996	2,843
Arrears brought forward	16,896	16,621
	<u>522,615</u>	<u>506,161</u>
Less:		
Discounts	18,663	18,549
Exempt and uninhabitable properties	6,299	5,225
Collection charges	5,198	5,226
	<u>(30,160)</u>	<u>(29,000)</u>
Treasury write back/(off)	388	(30)
Total rates collectable	<u>492,843</u>	<u>477,131</u>
Rates received in the year:		
Current year rates	444,620	444,182
Arrears collected	3,344	6,214
Balance from Treasury re prior year	6,996	2,843
	<u>454,960</u>	<u>453,239</u>
Balances outstanding carried forward:		
Due from Treasury re current year	6,666	6,996
Arrears – current year	17,277	6,519
– previous years	13,940	10,377
	<u>37,883</u>	<u>23,892</u>
	<u>492,843</u>	<u>477,131</u>
		2021
		£
General rates levied for the year		498,723
Less: Discounts, exempt/uninhabitable properties & refunds		(24,962)
Per Comprehensive Income and Expenditure Statement		<u>473,761</u>
		2020
		£
		486,697
		(23,774)
		<u>462,923</u>

Port St. Mary Village Commissioners

Notes to the financial statements (Continued)

8. Housing Revenue Income and Expenditure

	2021	2020
	£	£
Income		
Dwelling rents (including rates)	684,802	673,944
Housing Deficiency Receivable	36,890	40,887
	<u>721,692</u>	<u>714,831</u>
Total income	721,692	714,831
Expenditure		
Repairs and maintenance	85,264	100,567
Supervision and management	32,623	32,631
Rents, rates, taxes and other charges	123,548	118,958
Depreciation & impairment charges	284,513	267,742
	<u>525,948</u>	<u>519,898</u>
Net cost of Housing Services before interest and loan repayments	<u>195,744</u>	<u>194,933</u>

Included in rents, rates, taxes and other charges above is £99,845 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 £32,623 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 (2020: 1.06%).

Rent arrears	2021	2020
	£	£
Rent arrears	21,492	10,052
Rent arrears as a percentage of gross rent income	<u>3.62%</u>	<u>1.69%</u>

Arrears written off during the year amounted to £Nil (2020: £Nil) and an increase of £2,968 (2020: £3,554) was made in the provision for bad and doubtful rental debts. As at 31 March 2021 the provision stood at £14,927 (2020: £11,959).

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:

	2021	2020
	£	£
Opening balance payable	(33,631)	767
Deficiency grant required	36,890	40,887
Payment made to Department of Infrastructure	-	-
Payments received from Department of Infrastructure	(37,563)	(75,285)
	<u>(34,304)</u>	<u>(33,631)</u>

9. Employee remuneration

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

	2021	2020
	Number of	Number of
	Employees	Employees
Remuneration Band		
£50,000 – £74,999	1	1

Key management compensation

Key management personnel compensation paid amounted to £76,434 including employers pension contributions (2020: £68,644).

Members' allowances

During the year the Authority paid £2,058 to its members in respect of their attendance at meetings, undertaking duties and responsibilities (2020: £2,721). At 31 March 2021, £Nil was payable in this respect (2020: £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 £104,089 (2020: £85,913) 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 £36,890 (2020: £40,887). At the year end Port St Mary owed Central Government £462 (2020: £2,611) in respect of costs incurred and £34,304 was due to Central Government (2020: £33,631 due) 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. With effect from 1 April 2020, Marashen Crescent Housing Committee joined with Castletown & Malew Elderly Persons Housing Committee to form Southern Sheltered Housing Joint Board, which Port St Mary Commissioners now manage.

During the year, Southern Sheltered Housing was charged £44,676 (2020: £Nil) in respect of administration charges and repairs. During the year, Southern Sheltered was charged £51,165 (2020: £Nil) by Port St Mary Commissioners in respect of rates. No amounts were outstanding at either 31 March 2021 or 2020.

During the prior year, Marashen Crescent was charged £80,888 in respect of administration charges and repairs. Within debtors at 31 March 2020 was an amount of £540 due to Port St Mary Commissioners. During the prior year, Marashen Crescent was charged £51,165 by Port St Mary Commissioners in respect of rates.

During the year, Southern Civic Amenity Site was charged £Nil (2020: £21,181) in respect of administration charges and repairs. In addition, £17,651 was received in respect of amenity site rental (2020: £18,038). Port St Mary Commissioners have paid £40,696 (2020: £32,271) in respect of amenity site costs and other costs for the year.

During the prior year, Castletown & Malew Elderly Persons Housing Committee was charged £24,348 and £13,429 by Port St Mary Commissioners in respect of housing administration charges and other costs respectively. In addition rents were collect by Port St Mary Commissioners on their behalf totalling £197,413 This agreement to provide services started on 1 October 2018.

During the year, Port St Mary Commissioners was charged £46,226 (2020: £46,226) by Manx Utilities Authority in respect of electricity charges. £2,225 was outstanding at 2021 (2020: £2,838).

Port St. Mary Village Commissioners

Notes to the financial statements (Continued)

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 in the year.

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:

	2021	2020
	£	£
Depreciation, impairment & revaluation losses for non-current assets	346,824	331,832
Loss/(profit) on sale of fixed assets	9,126	(6,669)
(Decrease)/increase in creditors	(69,712)	81,908
Decrease/(increase) in debtors	3,895	(7,050)
Financing activities	135,663	161,904
Difference between FRS102 pension cost and contributions paid	36,000	34,000
	<u>461,796</u>	<u>595,925</u>

12. Cash flow statement – Investing activities

	2021	2020
	£	£
Purchase of fixed assets	(111,127)	(291,246)
Proceeds on sale of assets	222,874	6,669
	<u>111,747</u>	<u>(284,577)</u>

13. Cash flow statement – Financing activities

	2021	2020
	£	£
Cash receipts from short-term and long-term borrowing	248,982	64,337
Repayments of short-term and long-term borrowing	(309,241)	(275,940)
Loan interest paid	(136,200)	(162,430)
Interest received	537	526
	<u>(195,922)</u>	<u>(373,507)</u>

14. Cash flow statement – cash & cash equivalents

	2021	2020
	£	£
Cash at Bank and in hand	<u>474,957</u>	<u>125,269</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 (2020: £7,600).

16. Total rateable value

The total rateable value of the Village at 31 March 2021 is £144,173 (2020: £144,192) at the year end with a 346p rate being charged (2020: 338p).

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 2021 by independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

	31 March 2021	31 March 2020
Rate of increase in salaries	3.65%	2.75%
Rate of increase in pensions	2.85%	1.95%
Rate for discounting scheme liabilities	2.00%	2.35%

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 2021 Years
Longevity at the age of 65 for current pensioners	
• Men	21.2
• Women	24.2
Longevity at the age of 65 for future pensioners	
• Men	22.5
• Women	25.6

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 2020	1,587,000	2,247,000	660,000
Benefits paid	(40,000)	(40,000)	-
Plan participants contributions	17,000	17,000	-
Employer contributions	73,000	-	(73,000)
Current service cost	(5,000)	89,000	94,000
Interest income/(expense)	38,000	53,000	15,000
Remeasurement gains/(losses)			
• Actuarial losses	-	612,000	612,000
• Return on plan assets excluding interest income	239,000	-	(239,000)
	<u>1,909,000</u>	<u>2,978,000</u>	<u>1,069,000</u>
At 31 March 2021	<u>1,909,000</u>	<u>2,978,000</u>	<u>1,069,000</u>

Total cost recognised as an expense:

	2021 £	2020 £
Current service cost	94,000	93,000
Interest cost	53,000	55,000
	<u>147,000</u>	<u>148,000</u>

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

	2021 %	2020 %
Equity instruments	54	46
Bonds	32	37
Property	14	16
Cash	-	1
	<u>100</u>	<u>100</u>

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

	2021 £	2020 £
Interest income	38,000	40,000
Return on plan assets less interest income	239,000	(120,000)
	<u>277,000</u>	<u>(80,000)</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 2021	31 March 2020
	£	£
Bathroom refurbishment scheme	-	59,884

Port St. Mary Village Commissioners

Detailed Income and Expenditure Account for the year ended 31 March 2021

	2021 £	2021 £	2020 £	2020 £
Administration and general purposes				
Salaries, office wages, NIC etc	173,364		159,935	
Contract personnel costs	4,565		-	
Manual wages	1,323		284	
Audit fees	7,081		7,207	
Accountancy	8,556		7,900	
Internal audit	3,977		3,323	
Legal and professional costs	15,164		15,408	
Printing and stationery	1,907		3,138	
Photocopying	935		1,174	
Staff training	955		3,583	
Incidentals	831		513	
Election expenses	176		-	
Memberships and subscriptions	364		271	
Bank charges	2,550		2,381	
Attendance allowance	2,058		2,721	
Computer charges	9,972		5,594	
Office running costs	14,028		16,698	
Telephone	3,276		4,874	
Donations	200		433	
Civic events	1,899		2,634	
Rate collection costs	5,198		5,226	
	<hr/>	258,379	<hr/>	243,297
Less: Income				
Housing administration fee	32,623		32,631	
SSHJB administration fee	44,676		-	
C&M EPH administration fee	-		20,290	
Marashen EPH administration fee	-		30,591	
Amenity site administration fee	-		10,500	
Search fees	4,700		3,900	
Rates surfeit	3,682		3,083	
Grant received	767		-	
	<hr/>	(86,448)	<hr/>	(100,995)
		<hr/> 171,931 <hr/>		<hr/> 142,302 <hr/>
Direct labour – Central costs				
Manual workers – holiday, unallocated, supervising etc		43,539		20,363
Manual workers – sick pay		2,336		8,198
Vehicle costs, fuel and depreciation		22,788		25,297
Vehicles – wages		177		516
		<hr/> 68,840 <hr/>		<hr/> 54,374 <hr/>

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Port St. Mary Village Commissioners

Detailed Income and Expenditure Account (continued) for the year ended 31 March 2021

	2021 £	2021 £	2020 £	2020 £
Property				
Depreciation	35,793		34,520	
Insurance	19,260		19,556	
Town Hall costs (maintenance, heat, light, & rates)	17,752		35,032	
Town Hall maintenance wages	6,922		4,346	
Monas Queen costs	-		600	
Manxonia House running costs	1,869		3,202	
Store	1,645		3,516	
Store – wages	2,752		1,601	
	<u> </u>	85,993	<u> </u>	102,373
Less: Income				
Town Hall hire	2,539		10,943	
Mast income	11,636		9,875	
Monas Queen	-		1,940	
Rent – garages	9,569		9,218	
Rent – other	8,510	(32,254)	8,856	(40,832)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		53,739		61,541
Refuse				
Wages	16,498		16,688	
Refuse expenses	67,836		59,675	
Vehicle Expenses	15,226		16,250	
Refuse bins	527		151	
Amenity site costs	40,696		29,836	
Refuse sacks and misc	1,900		2,234	
	<u> </u>	142,683	<u> </u>	124,834
Less: Income				
Collection of refuse	12,425		14,421	
Amenity site lease rental	17,651		17,651	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		(30,076)		(32,072)
		<u> </u>	<u> </u>	<u> </u>
		112,607		92,762

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Port St. Mary Village Commissioners

Detailed Income and Expenditure Account (continued) for the year ended 31 March 2021

	2021 £	2021 £	2020 £	2020 £
Public Works				
Street lighting		15,591		16,395
Street lighting - depreciation		10,461		9,791
Street lighting - wages		-		25
		<u>26,052</u>		<u>26,211</u>
Street cleaning and car parks				
Street cleaning – and maintenance of footpaths		2,697		5,514
Street cleaning - wages		19,378		20,248
Car parks		206		1,175
Shelter costs		5,431		-
		<u>27,712</u>		<u>26,937</u>
Public conveniences				
Wages		7,753		4,340
General expenses		1,828		3,887
		<u>9,581</u>		<u>8,227</u>
Parks and Leisure				
Maintenance	1,555		3,444	
Misc. inc rates & insurance	847		813	
		<u>2,402</u>		4,257
Less: Income				
Fees – golf	1,000		1,000	
Rents	12,644		13,422	
		<u>(13,644)</u>		<u>(14,422)</u>
		<u>(11,242)</u>		<u>(10,165)</u>
Maintenance of public areas				
Gardening & bedding plants		23,739		31,001
		<u>23,739</u>		<u>31,001</u>

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Port St. Mary Village Commissioners

Detailed Income and Expenditure Account (continued) for the year ended 31 March 2021

	2021 £	2021 £	2020 £	2020 £
Public Amenities				
Annual contribution to Southern Local Authority				
Swimming Pool		3,681		3,596
Memorials		181		1,194
Memorial - wages		102		1,358
Outdoor seating		248		1,768
Outdoor seating – wages		7,889		6,867
Playground equipment		186		701
Playground – wages		164		2,253
Christmas tree		5,507		4,765
Christmas tree – wages		2,110		1,290
Signage		333		949
Chapel Beach – cleaning & bathing raft		480		1,499
Miscellaneous		51		392
		<u>20,932</u>		<u>26,632</u>
Less: Income				
Memorial seats subscriptions	(165)		(3,493)	
PSM recharges	-		(5,224)	
		<u>(165)</u>		<u>(8,717)</u>
		<u>20,767</u>		<u>17,915</u>
Guides and general advertising				
Plaques and flags		952		429
Flags – wages		996		1,238
		<u>1,948</u>		<u>1,667</u>
Bad Debt provision		9,468		1,621
Bad Debt write off		(388)		31
		<u>9,080</u>		<u>1,652</u>

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