

**Arbory and Rushen Parish Commissioners
Financial Statements**

For the year ended 31 March 2023

Arbory & Rushen Parish Commissioners

Contents	Page
Members, Officers and Advisers	1
Explanatory Foreword	2
Statement of Responsibilities for the Statement of Accounts	3
Independent Chartered Accountant's Review Report	4-5
Statement of Internal Control	6-7
Comprehensive Income and Expenditure Statement	8
Statement of Movement on Reserves	9-10
Balance Sheet	11
Cash Flow Statement	12
Statement of Accounting Policies	13-18
Significant Judgements and Estimates	19
Notes to the Financial Statements	20-28
The following pages do not form part of the reviewed financial statements	
Detailed Income and Expenditure Account	29-30

Arbory & Rushen Parish Commissioners

Members, Officers and Advisers

for the year ended 31 March 2023

Arbory and Rushen are predominantly rural Parishes which surround Port Erin and Port St Mary to the west and adjoin Malew to the east. On 1 May 2020 Arbory Parish Commissioners and Rushen Parish Commissioners merged to form the new authority.

The merging of the two authorities required a reduction in the number of members from ten, being five from each Parish, to six, three representing Arbory Ward and three representing Rushen Ward. This became effective on 1 August 2021, following the Local Authority elections in July 2021.

The members with effect from 1 August 2021 are:

Arbory Ward – Mr J M Cringle, Mrs J C L Glover MBE, and Mrs K A Jenkins.

Rushen Ward – Mr P G Gunn, Mr S H Pilling and Mr T D Radcliffe

The Chair is normally elected for one year by rotation in May. In May 2022 Mrs Jenkins was elected as Chair with Mr Pilling as Vice Chair.

The Commissioners meet each month usually on the third Wednesday of the month alternating between the Halley MacLiag, Ballabeg and Ballafesson Methodist Hall, and meetings are open to the public.

The Parish Clerk is Mr Phil Gawne and the Parish Office is at Lamode, Ballakillowey Road, Rushen. The Commissioners can be contacted through the Clerk on 834501 or the clerk@arbrus.gov.im email address.

In addition, a member of the authority also represents the Commissioners on the following joint boards and committees:

Municipal Association: Mr Gunn

Southern Civic Amenity Site: Mr Pilling

Southern Health Care Committee: Mrs Glover

Southern Swimming Pool Board: Mrs Jenkins

Marashen Crescent Housing Committee: Mr Radcliffe

Suntera Accounting & Tax Ltd assisted in the preparation of the accounts and Baker Tilly Isle of Man LLC provide the authority's independent review.

Suntera Accounting & Tax Limited

Peveril Buildings

Peveril Square

Douglas

Isle of Man IM99 1RZ

Baker Tilly Isle of Man LLC

PO Box 95

2a Lord Street

Douglas

Isle of Man IM99 1HP

Arbory & Rushen Parish Commissioners

Explanatory Foreword

for the year ended 31 March 2023

Authority's objectives

The objectives of the Authority are to provide statutory services to the Parishioners of Arbory and Rushen and to do all the Commissioners are empowered to do to make the Parish an attractive place to live, to work and to visit.

Overall financial performance and results for the period

The comprehensive income and expenditure statement for the year shows a surplus on provision of services of £7,188 (2022: surplus of £9,848). Other Comprehensive Income of £311,597 (2022: Nil) results from the revaluation of property (see Note 1 on page 20). Once other movements have been taken into account, as detailed on page 9, the results show an overall decrease in the General Fund Balance of £3,602 (2022: increase of £3,615).

The Housing Revenue Income and Expenditure Account summarises the results of the day to day running of the operations of the Authority. The annual shortfall of income against expenditure is from deficiency payments made by the Isle of Man Government. For the year ended 31 March 2023 there was no deficiency requirement (2022: Nil).

Finances

During the 2022/2023 financial year, budgeting and expenditure remained fairly stable with no significant additional outgoings.

Chair's Introduction to Annual Accounts

It was a very busy year for the Commissioners and thanks go to both the Clerk & Deputy Clerk for their endeavours.

We held a successful Platinum Jubilee Celebration at Ballachurry Orchard thanks to the hosts the Clucas family; two community tree planting events at Ballakillee Park and the recognition of the commitment to tree planting by receipt of a Gold Level Award by the IOM Woodland Trust.

The passing of her Majesty Queen Elizabeth II was marked respectfully across the Parishes, and the involvement of representatives from Ukraine at our annual Remembrance Service, and our Civic Service were all moving events.

The finalisation of the Romance of the Colby River walking project and its launch was a credit to the work of Jane Glover MBE and our Deputy Clerk, David Ronan. The annual Father Christmas event at Ballabeg was very busy with flying visits by Father Cringle around the parishes and was very well attended, as was a festive Nativity event on Christmas Eve in collaboration with Moorhouse Farm. The Warm Spaces initiative at Arbory Parish Hall supported people during the difficult winter months and the cost of living crisis, and provided an important social space.

Each and every one of the board contributed to a successful year including involvement in the Sheltered Housing, and Southern Authorities Health Care Trust, Southern Wellbeing Partnership, Local Area Coordination Leadership Group, various Youth and Community engagements. The Swimming Pool Board and Southern Civic Amenity Site boards in particular faced a difficult financial period which contributed to an increase in rates, however, Arbory & Rushen still remains the lowest in the South in terms of rates charges.

Arbory & Rushen Parish Commissioners

INDEPENDENT CHARTERED ACCOUNTANT'S REVIEW REPORT TO THE COMMISSIONERS OF ARBORY & RUSHEN PARISH COMMISSIONERS

Report on the Financial Statements

We have reviewed the financial statements of Arbory and Rushen Parish Commissioners for the period ended 31 March 2023, which comprise the Comprehensive Income and Expenditure Statement, the Statement of the Movement on Reserves, the Balance Sheet, the Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* Section 1a (United Kingdom Generally Accepted Accounting Practice).

Responsible Financial Officer's Responsibility for the Financial Statements

As explained more fully in the Responsible Financial Officer's Responsibilities Statement set out on page 3, the Responsible Financial Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Accountant's Responsibility

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

Scope of the Assurance Review

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We have performed procedures, primarily consisting of making enquiries of management and others within the company, as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (UK). Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

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

- so as to give a true and fair view of the state of the authority's affairs as at 31 March 2023, and of its results for the period then ended;
- in accordance with the provisions of the Accounts and Audit 2018, any regulations under Section 12, and any directions, as applicable, under Section 13 of the Audit Act 2006;
- in accordance with any other statutory provisions applicable to them.

Arbory & Rushen Parish Commissioners

INDEPENDENT CHARTERED ACCOUNTANT'S REVIEW REPORT TO THE COMMISSIONERS OF ARBORY & RUSHEN PARISH COMMISSIONERS (CONTINUED)

Use of our report

This report is made solely to the Authority's Commissioners, as a body, in accordance with Section 6 of the Audit Act 2006. Our review work has been undertaken so that we might state to the Authority's Commissioners those matters we have agreed to state to them in a reviewer'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 its Commissioners as a body for our review work, for this report or 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

Date: *2 January 2024* .

Arbory & Rushen Parish Commissioners

Statement of Internal Control

for the year ended 31 March 2023

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 Arbory & Rushen Parish 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 Chair and five other Authority members. The Authority receives reports from the Authority's Officers on operational matters and ensures that the work of the Responsible Financial Officer and other senior officers supports the strategy and policy approved by the Authority.

Arbory & Rushen Parish Commissioners

Statement of Internal Control (continued)

for the year ended 31 March 2023

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.

The Authority is not required to obtain an internal audit.

Signed



Chairperson

Signed



Responsible Finance Officer

Dated

27.12.23

The Statement of Internal Control is signed by the Chairperson and Responsible Finance Officer of the Arbory and Rushen Parish Commissioners following the implementation of the Arbory and Rushen (Local Government District) Order 2019, which merged Arbory Parish Commissioners and Rushen Parish Commissioners with effect from 1 May 2020.

Arbory & Rushen Parish Commissioners

Comprehensive Income and Expenditure Statement

for the year ended 31 March 2023

	<i>Notes</i>	Expenditure	Income	2023	2022
		£	£	Net	Net
				£	£
Finance and general purposes		(66,278)	14,091	(52,187)	(56,538)
Works and development		(125,668)	1,445	(124,223)	(101,934)
Refuse disposal		(304,633)	16,330	(288,303)	(267,155)
Bad debt provision		-	(862)	(862)	(7,649)
Net cost of General Fund services		(496,579)	31,004	(465,575)	(433,276)
Housing services		(16,745)	24,961	8,216	7,875
Deficiency		-	-	-	-
Net cost of housing services	<i>6</i>	(16,745)	24,961	8,216	7,875
Income from the General Rate Fund	<i>5</i>			466,134	436,445
Interest receivable and other income				-	-
Interest payable and similar charges				(1,587)	(1,196)
Surplus on provision of services				7,188	9,848
Revaluation of Land and Buildings				311,597	-
Total comprehensive income and expenditure				318,785	9,848

Arbory & Rushen Parish Commissioners

Statement of Movement on Reserves

for the year ended 31 March 2023

	Notes	General reserve	Sinking Fund	Capital adjustment account	Revaluation reserve	Housing maintenance reserve	Housing revenue account	Ballakilly Recreation Project Reserve
		£	£	£	£	£	£	£
Total comprehensive income and expenditure		318,785	-	-	-	-	-	-
Depreciation	1	5,256	-	(11,339)	(4,207)	-	10,290	-
Loan fund principal repayments		(7,830)	-	7,830	-	-	-	-
Transfer to/from Housing Maintenance Reserve Account		-	-	-	-	3,598	(3,598)	-
Assets funded from General Revenue reserve		-	-	-	-	-	-	-
Transfer to/from Housing Revenue Account		(8,216)	-	-	-	-	8,216	-
Transfer from Ballakilly Recreation Project Reserve		-	-	-	-	-	-	-
Revaluation of Land and Buildings		(264,100)	-	-	264,100	-	-	-
Revaluation – depreciation write back		(47,497)	-	26,538	20,959	-	-	-
Transfer between reserves		-	(5,000)	5,000	-	-	-	-
		(3,602)	(5,000)	28,029	280,852	3,598	14,908	-
Balance brought forward		80,271	5,000	338,292	283,726	509	2,074	4,136
Balance carried forward		76,669	-	366,321	564,578	4,107	16,982	4,136

Arbory & Rushen Parish Commissioners

Statement of Movement on Reserves for the period ended 31 March 2022

	Notes	General reserve	Sinking Fund	Capital adjustment account	Revaluation reserve	Housing maintenance reserve	Housing revenue account	Ballakilley Recreation Project Reserve
		£	£	£	£	£	£	£
Total comprehensive income and expenditure		9,848	-	-	-	-	-	-
Depreciation	1	5,256	-	(11,339)	(4,207)	-	10,290	-
Loan fund principal repayments		(8,700)	-	21,585	-	-	(12,885)	-
Transfer to/from Housing Maintenance Reserve Account		5,302	-	-	-	(2,030)	(3,272)	-
Assets funded from General Revenue reserve		(1,200)	-	1,200	-	-	-	-
Transfer to/from Housing Revenue Account		(7,245)	-	-	-	-	7,245	-
Transfer from Ballakilley Recreation Project Reserve		-	-	-	-	-	-	-
Transfer to Sinking Fund		-	-	-	-	-	-	-
Transfer between reserves		354	(354)	-	-	-	-	-
		3,615	(354)	11,446	(4,207)	(2,030)	1,378	-
Balance brought forward		76,656	5,354	326,846	287,933	2,539	696	4,136
Balance carried forward		80,271	5,000	338,292	283,726	509	2,074	4,136

Arbory & Rushen Parish Commissioners

Balance Sheet

as at 31 March 2023

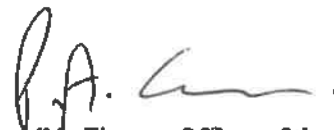
	Notes	2023	2022
		£	£
Fixed assets			
Tangible fixed assets	1	942,259	646,207
Current assets			
Debtors	2	39,382	50,743
Cash at bank		233,240	108,031
		<u>272,622</u>	<u>158,774</u>
Current liabilities			
Short-term borrowing	4	8,037	12,830
Creditors	3	145,601	41,656
		<u>153,638</u>	<u>54,486</u>
		118,984	104,288
		<u>1,061,243</u>	<u>750,495</u>
Long-term liabilities			
Long-term borrowing	4	28,450	36,487
		<u>(28,450)</u>	<u>(36,487)</u>
Total assets less liabilities		<u>1,032,793</u>	<u>714,008</u>
Reserves:			
Capital adjustment account		366,321	338,292
Sinking Fund		-	5,000
General reserve		76,669	80,271
Revaluation reserve		564,578	283,726
Ballakilly Recreation Project		4,136	4,136
Housing maintenance reserve		4,107	509
Housing revenue account		16,982	2,074
		<u>1,032,793</u>	<u>714,008</u>

The financial statements were approved by the Authority on 27th DECEMBER 2023 and were signed on their behalf by:



Chairperson

RFO



The Financial Statements are signed by the Chairperson and Responsible Finance Officer of the Arbory and Rushen Parish District Commissioners following the implementation of the Arbory and Rushen (Local Government District) Order 2019, which merged Arbory Parish Commissioners and Rushen Parish Commissioners with effect from 1 May 2020.

Arbory & Rushen Parish Commissioners

Cash Flow Statement

for the year ended 31 March 2023

	<i>Notes</i>	2023	2022
		£	£
Net surplus/(deficit) on provision of services		7,188	9,848
Adjustments to net surplus on provision of services for non-cash movements	<i>10</i>	130,851	15,526
Adjustments for items included in net surplus on provision of services that are investing and financing activities		1,587	1,196
Net cash flows from Operating Activities		139,626	26,570
Net cash flows from Investing Activities	<i>11</i>	-	(1,200)
Net cash flows from Financing Activities	<i>12</i>	(14,417)	(22,781)
		(14,417)	(23,981)
Net increase in cash and cash equivalents		125,209	2,589
Cash & cash equivalents at the beginning of the reporting period		108,031	105,442
Cash & cash equivalents at the end of the reporting period		233,240	108,031

Arbory & Rushen Parish Commissioners

Statement of Accounting Policies

for the year ended 31 March 2023

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

As of 1 May 2020 the authorities were dissolved under the provisions of the Arbory and Rushen (Local Government District) Order 2019. As of that date all assets, liabilities, rights and obligations of the Authority have vested in the Arbory and Rushen Parish District Commissioners. These financial statements have therefore been prepared on a going concern basis.

3. Income

(a) Rentals

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

(b) Housing deficiency

Housing deficiency is accounted for on an accruals basis and represents amounts due for the period in respect of the shortfall in housing income over housing receipts in the year.

(c) Rates receivable

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

4. Accruals of income and expenditure

The accounts of the Authority are maintained on an accruals basis: activity is accounted for in the period that it takes place not simply when cash payments are made or received.

Arbory & Rushen Parish Commissioners

Statement of Accounting Policies (continued)

for the year ended 31 March 2023

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.

6. Tangible fixed assets

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

(a) Recognition

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

- It is probable that the future economic benefits or service potential associated with the asset will flow to the Authority, and
- The cost can be measured reliably.

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

(b) Measurement (Valuation Bases)

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

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

- Infrastructure and Community assets – depreciated historic cost (or a nominal value where the historic cost is not known).
- 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).

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.

Arbory & Rushen Parish Commissioners

Statement of Accounting Policies (continued)

for the year ended 31 March 2023

6. Tangible fixed assets - continued

(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.

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.

(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).

Arbory & Rushen Parish Commissioners

Statement of Accounting Policies (continued)

for the year ended 31 March 2023

6. Tangible fixed assets - continued

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:

Property	50 years
Property improvements	10 years
Equipment	5 – 10 years
Fixtures and fittings	5 years
Community assets	5 years

No depreciation is provided on assets under construction.

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

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

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

(f) Disposals

Income from the disposal of fixed assets is accounted for on an accruals basis. Capital receipts are held in the Usable Capital Receipts Reserve until such time as they are used to finance other capital expenditure, when they are credited to the Capital Adjustment Account.

7. Cash and cash equivalents

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

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

Arbory & Rushen Parish Commissioners

Statement of Accounting Policies (continued)

for the year ended 31 March 2023

8. 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.

9. 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.

10. 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.

11. Provisions

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

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

12. Reserves

Reserves include earmarked reserves set aside for specific policy purposes and balances which represent resources set aside for purposes such as general contingencies and cash flow management. The Authority maintains the following significant reserves:

Sinking fund: as the bond for which the sinking fund was introduced has been fully repaid, the sinking fund is no longer required. It has therefore been cancelled with the balance being transferred to the Capital Adjustment Account.

General Reserve: set up to act as a buffer against the potential risks of increased expenditure to be charged to future years' Accounts and to assist in organisational development.

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

Housing Revenue Reserve: set up to act as a buffer against potential risks of increased housing expenditure to be charged to future years' accounts and to assist in organisational development.

Arbory & Rushen Parish Commissioners

Statement of Accounting Policies (continued)

for the year ended 31 March 2023

12. Reserves

Ballakilley Recreation Project Reserve: set up to provide specific funding for this project.

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.

Arbory & Rushen Parish Commissioners

Significant Judgements and Estimates

for the year ended 31 March 2023

(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 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.

- There are no estimates or assumptions made in the preparation of the accounts for which there is the potential for a material adjustment within the next financial year.

Arbory & Rushen Parish Commissioners

Notes to the financial statements for the year ended 31 March 2023

1. Tangible fixed assets

	Property £	Equipment £	Fixtures & Fittings £	Community Assets £	Assets under Construction £	Total £
Cost						
At 1 April 2022	672,847	6,958	58,971	40,284	25,864	804,924
Revaluation	264,100	-	-	-	-	264,100
At 31 March 2023	936,947	6,958	58,971	40,284	25,864	1,069,024
Depreciation						
At 1 April 2022	59,890	4,480	55,027	39,320	-	158,717
Charge for the year	12,489	999	1,595	463	-	15,546
Eliminated on revaluation	(47,498)	-	-	-	-	(47,498)
At 31 March 2023	24,881	5,479	56,622	39,783	-	126,765
Net book value						
At 31 March 2023	912,066	1,479	2,349	501	25,864	942,259
At 31 March 2022	612,957	2,478	3,944	964	25,864	646,207

The Arbory Parish Hall, Hall Cottages and Halley MacLaig are owned by the "Commissioners of the Parish District of Arbory" in their capacity as Trustee of the "Clague Cooil and Briscoe Trust". They are not assets of Arbory & Rushen Parish Commissioners and are therefore not included in these financial statements. Arbory & Rushen Parish Commissioners are permitted to use rate monies for the upkeep of the halls and cottages. During 2009 Arbory Parish Commissioners obtained approval to take out a loan in respect of the replacement of the roof on the Parish Hall and Hall Cottages. During 2013 Arbory Parish Commissioners obtained approval to take out a loan in respect of the provision of a new toilet block. These improvements are included in the balance sheet of Arbory & Rushen Parish Commissioners and the loan interest is charged to the income and expenditure account.

Valuation of fixed assets

The Authority plans to revalue its fixed assets every five years. Valuations were carried out at 31 March 2023 by Chrystals, Chartered Surveyors. The valuation was carried out in accordance with RICS valuation standards. Assets were valued as follows:

	Land £	Buildings £	Total £
Property	248,000	579,000	827,000

Arbory & Rushen Parish Commissioners

Notes to the financial statements (continued)

for the year ended 31 March 2023

1. Tangible fixed assets

The vacant possession value of the dwellings at 31 March 2023 was £1,240,000, compared to the balance sheet value of £827,000. The difference in values at this date represents the economic cost to the authority of providing social housing at less than open market rents.

The Authority also holds a car park at The Howe which is not included in the figures above. The asset is considered to have a nominal value, due to the age of the asset and the restrictions on its land use.

The Authority expenses repairs and maintenance expenditure on street lights in the year in which it was incurred. Expenditure on street lights is not capitalised.

Historical cost of revalued fixed assets

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

Land and buildings - £262,799 (2021: £262,799).

During 2015/16, the Authority purchased at nominal cost, as a community asset, an area of land at Ballakilley, part of which will be developed in the future for recreational use and part sold on to Rushen Burial Ground Authority at a nominal cost for use as a burial ground extension. This asset is not included in the figures above.

Assets held

	Number at 31 March 2022	Changes In year	Number at 31 March 2023
Operational assets:			
- Building improvements Parish Hall roof and toilet block	1	-	1
- Play area	2	-	2
- Other equipment	3	-	3
- Buildings	4	-	4
- Car park at The Howe	1	-	1
Community assets:			
- Allotments	1	-	1
- Notice boards	2	-	2
- Talking bench	1	-	1
Infrastructure assets:			
- Streetlights	349	-	349

Arbory & Rushen Parish Commissioners

Notes to the financial statements (continued) for the year ended 31 March 2023

2. Debtors and prepayments

	2023	2022
	£	£
Amounts falling due in one year (net of bad debt provisions):		
Trade debtors	-	618
Government departments	1,292	17,401
VAT	18,843	16,877
Ratepayers	9,484	8,547
Prepayments	875	2,198
Accrued income	8,888	1,450
Other	-	3,652
	<u>39,382</u>	<u>50,743</u>

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

	2023	2022
	£	£
Ratepayers	<u>10,160</u>	<u>7,705</u>

3. Creditors: Amounts falling due in one year

	2023	2022
	£	£
Government departments	10,433	-
Accruals	18,762	19,287
Trade creditors	21,519	22,232
Sundry creditors	10	137
Other creditors	94,877	-
	<u>145,601</u>	<u>41,656</u>

Arbory & Rushen Parish Commissioners

Notes to the financial statements (continued) for the year ended 31 March 2023

5. General Rate Account - continued

The above figures represent the amounts levied by Treasury in respect of the year ended 31 March 2023.

6. Housing Revenue Income and Expenditure

		2023	2022
	£	£	£
<i>Income</i>			
Dwelling rents (including rates)	24,961		24,829
Housing Deficiency Receivable	-		-
	<hr/>		<hr/>
Total income		24,961	24,829
<i>Expenditure</i>			
Repairs and maintenance	1,329		1,442
Supervision and management	2,121		2,012
Rents, rates, taxes and other charges	3,005		3,210
Depreciation & impairment charges	10,290		10,290
	<hr/>		<hr/>
		(16,745)	(16,954)
		<hr/>	<hr/>
Net cost of Housing Services		8,216	7,875
		<hr/>	<hr/>

Dwelling rent income

Dwelling rent income is the total rent due for the period after voids, write-offs, refunds etc. There were no voids during the current or prior period.

Rent arrears

There were no rent arrears in the current or prior period. No rent arrears were written off in the current or prior year and there was no provision for bad and doubtful rental debtors at 31 March 2023 or 31 March 2022.

Arbory & Rushen Parish Commissioners

Detailed Income and Expenditure Account (continued) for the year ended 31 March 2023

	Year ended 31 March 2023		Year ended 31 March 2022	
	£	£	£	£
Refuse				
Refuse disposal	113,667		113,209	
Refuse collection charges	75,957		72,340	
Civic amenity site contribution	112,328		91,780	
Purchase of wheelie bins & other	723		1,611	
Recycling	1,958		2,240	
		(304,633)		(281,180)
Commercial refuse charges	16,190		13,475	
Sale of wheelie bins/second bin charge	140		550	
		16,330		14,025
		(288,303)		(267,155)

This page does not form part of the reviewed financial statements.