

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

**For the year ended 31 March 2023**

# Port St. Mary Village Commissioners

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# Port St. Mary Village Commissioners

## Members, Officers and Advisers

Port St Mary Commissioners registered address is:

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

### Members

The Board is made up of seven elected representatives, for the year there were 6 who held office. The Board members from April 2022 – March 2023 were:

Mrs B Williams MBE (Chair)  
Mr Alan Grace (Vice Chairman)  
Mrs R Gelling  
Mr N McGregor Edwards  
Mr Vaughan Williams  
Mr C O'Meara (elected in a non-contested by-election 9<sup>th</sup> November 2022)

### Officers

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

### 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 Southern Sheltered Housing Joint Board. 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 and Clerk services to the Southern Sheltered Housing Joint Board.

### Overall financial performance and results for the year

The financial performance of the Board resulted in a deficit on the general revenue reserve for the year of £112,508 (2022 deficit: £15,851). As at 31 March 2023 the General Revenue retained reserve surplus was £139,020 (2022: £251,528). From 1 April 2022, rates were increased by 1.4% to 354p.

For the year ended 31 March 2023, the Authority required deficiency funding of £43,592 (2022: £11,371) 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.

The Board have invested in several assets around the village, alongside upgrading other required maintenance equipment. £32,363 was spent on tennis court fencing, with a pickleball court also being installed. £18,125 was spent on the Pavilion roof, and a further £10,940 on garage roofs at Barna Beg.

The Board has continued to expand guidance for Commissioners and staff by developing a Whistleblowing Policy, Capability Procedure, Fairness at Work Policy, Menopause Policy as well as continuing to review existing policies.

# Port St. Mary Village Commissioners

## Explanatory Foreword -- continued

### **Significant achievements - continued**

Port St Mary Commissioners are responsible for 122 local authority houses, during the financial year only emergency and essential maintenance has been carried out. We continue to provide Clerk and administrative services to the Southern Sheltered Housing Joint Board.

Port St Mary Commissioners sold a small plot of land at the rear of private properties at the Four Roads.

We have refurbished and maintained benches, and planted and maintained the floral displays throughout the village. We have extended our wildlife friendly mowing policies that allow wildflowers to set seed before a late cutting takes place. During the summer months we provided portaloos on the Promenade for beach users and engage and support the Probation Services in maintenance around the village.

The tenants of the Pavilion did not renew their lease and the building was closed in February 2023.

### **Issues likely to shape future performance**

Subject to approval from the Department of Infrastructure, the Board intend to utilise reserves to improve facilities throughout the village. A successful tender process was carried out for replacement playpark flooring, however this project has been deferred until March 2024 while some new equipment is sourced. Design schemes to improve disabled facilities and access, kitchen facilities and storage at the Town Hall are underway, along with a scheme to provide toilet, shower and bottle refill facilities at Chapel Beach. Extensive work has been carried out to the internal and structure of the Pavilion, which required new electrics and various other works. The Board are working with the Attorney Generals Chambers to introduce General By-laws through Port St Mary. The housing maintenance focus for the coming period will be on keeping tenants warm and reducing heating costs, this being the case a capital scheme to replace windows and doors at various locations is underway, subject to Treasury approval.

# Port St. Mary Village Commissioners

## Statement of Responsibilities for the Statement of Accounts

### **The Authority's responsibilities**

The Authority is required to:

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

### **The Responsible Financial Officer's responsibilities**

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

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

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

The Responsible Financial Officer has also:

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

# Port St. Mary Village Commissioners

## Certificate of the Tynwald Auditor General

In accordance with section 3(1) of the Audit Act 2006 I have appointed Baker Tilly Isle of Man LLC to audit the accounts of Port St. Mary Village Commissioners for the year ended 31 March 2023.

In accordance with section 3(1A) of the Audit Act 2006 I have undertaken the following procedures to satisfy myself as to the adequacy of the work undertaken by the appointed auditor:

- reviewed the draft and any revised statement of accounts;
- reviewed the draft audit strategy document prepared by the appointed auditor;
- reviewed the draft report to those charged with governance prepared by the appointed auditor;
- reviewed the proposed independent auditor's report prepared by the appointed auditor;
- provided feedback to the appointed auditor as appropriate; and
- considered the responses of the appointed auditor to feedback provided.



**Stephen Warren**  
**Tynwald Auditor General / Ard Scruteyder Tinvaal**

2nd Floor  
Prospect House  
27-29 Prospect Hill  
Douglas  
Isle of Man  
IM1 1ET

Date: 28 March 2024

# 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 2023

### Opinion

We have audited the Statement of Accounts of Port St Mary Village Commissioners for the year ended 31 March 2023 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 2023 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 provisions of the Accounts and Audit Regulations 2018, and with any directions issued under Section 13 of the Audit Act 2006 which are applicable to them and comply with the requirements of any other statutory provision applicable to them.

### 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 2023 - 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 2023 - 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 2023 - 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 Companies'/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 2023 - 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: *28 March 2024.*

# 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 2023.

During the year ended 31 March 2023, 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 MBE

(Chairman)

(Signed) [Signature]

(Responsible Financial Officer)

(Dated) 27 March 2024

# Port St. Mary Village Commissioners

## Comprehensive Income and Expenditure Statement

for the year ended 31 March 2023

	Notes	Expenditure	Income	2023 Net	2022 Net
		£	£	£	£
Administration and general purposes		266,351	91,201	175,150	188,585
Direct labour – central costs		72,815	-	72,815	60,793
Property		85,610	38,329	47,281	53,325
Refuse collection		160,286	27,825	132,461	121,481
Public works		33,385	-	33,385	34,612
Street cleaning and car parks		39,079	-	39,079	37,458
Public conveniences		6,375	-	6,375	6,432
Parks and leisure		3,876	16,875	(12,999)	(11,906)
Maintenance of public areas		38,658	-	38,658	42,252
Public amenities		35,577	1,344	34,233	23,216
Guides and general advertising		3,174	-	3,174	2,978
Recharges		52,014	52,014	-	-
Bad debt		979	-	979	5,084
Profit on disposal of assets		-	1,990	(1,990)	(25,892)
Net current service cost of pensions	17	69,000	-	69,000	56,000
<b>Net cost of General Fund services</b>		<b>867,179</b>	<b>229,578</b>	<b>(637,601)</b>	<b>(594,418)</b>
Housing services	8	575,962	707,413	131,451	150,466
Housing deficiency	8	-	43,592	43,592	11,371
<b>Net cost of services</b>		<b>1,443,141</b>	<b>980,583</b>	<b>(462,558)</b>	<b>(432,581)</b>
Income from the General Rate Fund	7			487,106	478,156
Interest receivable and other income				3,218	58
Interest payable and similar charges				(190,178)	(129,824)
Net pension interest cost	17			(24,000)	(20,000)
<b>(Deficit) on provision of services</b>				<b>(186,412)</b>	<b>(104,191)</b>
<b>Other comprehensive income and expenditure</b>					
Remeasurement of net pension liability	17			954,000	193,000
<b>Total comprehensive income and expenditure</b>				<b>767,588</b>	<b>88,809</b>

# Port St. Mary Village Commissioners

## Statement of Movement on Reserves

for the year ended 31 March 2023

	General revenue reserve £	Capital adjustment account £	Revaluation reserve £	Capital receipts reserve £	Housing maintenance reserve £	Pensions Reserve £
<b>Total comprehensive income and expenditure</b>	(186,412)	-	-	-	-	954,000
Depreciation and impairment of fixed assets	59,642	(219,831)	(132,309)	-	292,498	-
Profit on sale of fixed assets	(1,989)	1,989	-	-	-	-
Net charges made for retirement benefits	93,000	-	-	-	-	(93,000)
Loan fund principal repayments	(12,439)	280,784	-	-	(268,345)	-
Fixed assets financed from General Fund	(72,960)	72,960	-	-	-	-
Fixed assets financed from Housing Revenue reserve	-	40,684	-	-	(40,684)	-
Transfer to/(from) Housing Maintenance Reserve Account	8,650	-	-	-	(8,650)	-
Balance brought forward	(112,508)	176,586	(132,309)	-	(25,181)	861,000
Balance carried forward	251,528	3,820,065	8,485,178	5,411	(29,807)	(952,000)
	<b>139,020</b>	<b>3,996,651</b>	<b>8,352,869</b>	<b>5,411</b>	<b>(54,988)</b>	<b>(91,000)</b>



# Port St. Mary Village Commissioners

## Statement of Movement on Reserves

for the year ended 31 March 2022

	General revenue reserve £	Capital adjustment account £	Revaluation reserve £	Capital receipts reserve £	Housing maintenance reserve £	Pensions Reserve £
<b>Total comprehensive income and expenditure</b>	(104,191)	-	-	-	-	193,000
Depreciation and impairment of fixed assets	58,153	(215,632)	(132,309)	-	289,788	-
Profit on sale of fixed assets	(25,892)	25,892	-	-	-	-
Net charges made for retirement benefits	76,000	-	-	-	-	(76,000)
Loan fund principal repayments	(9,436)	319,477	-	-	(310,041)	-
Fixed assets financed from General Fund	(43,826)	43,826	-	-	-	-
Fixed assets financed from Housing Revenue reserve	-	78,119	-	-	(78,119)	-
Proceeds on sale of assets	67,142	(67,142)	-	-	-	-
Transfer to/(from) Housing Maintenance Reserve Account	(33,801)	-	-	-	33,801	-
<b>Balance brought forward</b>	(15,851)	184,540	(132,309)	-	(64,571)	117,000
	267,379	3,635,525	8,617,487	5,411	34,764	(1,069,000)
<b>Balance carried forward</b>	<b>251,528</b>	<b>3,820,065</b>	<b>8,485,178</b>	<b>5,411</b>	<b>(29,807)</b>	<b>(952,000)</b>

# Port St. Mary Village Commissioners

## Balance Sheet

as at 31 March 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	1		16,973,832		17,212,328
Intangible fixed assets	3		-		-
			<u>16,973,832</u>		<u>17,212,328</u>
<b>Current assets</b>					
Debtors	4	113,546		184,002	
Cash at bank	14	352,470		462,996	
		<u>466,016</u>		<u>646,998</u>	
<b>Current liabilities</b>					
Short-term borrowing	6	(281,795)		(304,455)	
Creditors	5	(244,917)		(290,199)	
		<u>(526,712)</u>		<u>(594,654)</u>	
			<u>(60,696)</u>		52,344
			<u>16,913,136</u>		<u>17,264,672</u>
<b>Long-term liabilities</b>					
Long-term borrowing	6	(4,474,173)		(4,732,297)	
Net Pension liabilities	17	(91,000)		(952,000)	
		<u>(4,565,173)</u>		<u>(5,684,297)</u>	
<b>Total assets less liabilities</b>			<u>12,347,963</u>		<u>11,580,375</u>
<b>Reserves:</b>					
General revenue reserve			139,020		251,528
Housing maintenance reserve			(54,988)		(29,807)
Capital adjustment account			3,996,651		3,820,065
Revaluation reserve			8,352,869		8,485,178
Pension reserve			(91,000)		(952,000)
Capital receipts reserve			5,411		5,411
			<u>12,347,963</u>		<u>11,580,375</u>

The financial statements were approved by the Authority on 21/03/24 and were signed on their behalf by:

Chairman *B Williams MBE*

RFO *[Signature]*

# Port St. Mary Village Commissioners

## Cash Flow Statement

for the year ended 31 March 2023

	<i>Notes</i>	2023	2022
		£	£
Net deficit on provision of services		<b>(186,412)</b>	(104,191)
Adjustments to net deficit on provision of services for non-cash movements	11	<b>648,532</b>	530,840
Net cash flows from Operating Activities		<b>462,120</b>	426,649
Net cash flows from Investing Activities	12	<b>(111,655)</b>	(170,974)
Net cash flows from Financing Activities	13	<b>(460,991)</b>	(267,636)
Net (decrease) in cash and cash equivalents		<b>(110,526)</b>	(11,961)
Cash & cash equivalents at the beginning of the reporting period		<b>462,996</b>	474,957
Cash & cash equivalents at the end of the reporting period	14	<b>352,470</b>	462,996

# 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**

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

### **3. Income**

#### **(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 2022	3,099,493	14,910,259	178,961	200,519	18,389,232
Additions in the year	67,915	40,684	1,936	3,110	113,645
Disposals in year	-	-	-	-	-
At 31 March 2023	3,167,408	14,950,943	180,897	203,629	18,502,877
Depreciation					
As at 1 April 2022	79,370	841,943	101,922	153,669	1,176,904
Charge for the year	29,734	292,398	12,060	17,949	352,141
Disposals in the year	-	-	-	-	-
At 31 March 2023	109,104	1,134,341	113,982	171,618	1,529,045
Net book value					
At 31 March 2023	3,058,304	13,816,602	66,915	32,011	16,973,832
At 31 March 2022	3,020,123	14,068,316	77,039	46,850	17,212,328

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

	Investment Properties
	£
Non-Operational assets	
Valuation	
At 31 March 2022	631,000
Additions in the year	-
Revaluation in the year	-
At 31 March 2023	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 - £9,494,934 (2022: £9,176,989)

Within Land and Property are Social Housing Land and Property with a historical cost of £8,150,208 (2022: £8,147,250).

# Port St. Mary Village Commissioners

## Notes to the financial statements (Continued)

### 2. Assets held

Operational assets	Number at 31 March 2022	Changes 2022/23	Number at 31 March 2023
<b>Dwellings</b>			
Dwellings – Houses and bungalows	106	-	106
Dwellings – flats and maisonettes	16	-	16
<b>Other Land and Buildings</b>			
Car parks	4	-	4
Depots	1	-	1
Public Conveniences	1	-	1
Public Halls / offices	2	-	2
<b>Community Assets</b>			
Golf course / recreational areas	1	-	1
Parks, gardens and open spaces	7	-	7
<b>Non-Operational assets</b>			
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 2022	10,000
Additions in the year	-
At 31 March 2023	<u>10,000</u>
Amortisation	
At 1 April 2022	10,000
Amortisation in the year	-
At 31 March 2023	<u>10,000</u>
Net Book Value	
At 31 March 2023	<u>-</u>
At 31 March 2022	<u>-</u>

# Port St. Mary Village Commissioners

## Notes to the financial statements (Continued)

### 4. Debtors and prepayments

	2023	2022
	£	£
Amounts falling due in one year (net of bad debt provisions):		
Trade debtors	12,034	65,441
Central Government	21,930	20,619
Public authorities	39,234	35,485
Ratepayers	6,765	6,861
Housing rents	25,937	21,574
Sundry debtors	1,641	604
Prepayments	6,005	33,418
	<u>113,546</u>	<u>184,002</u>

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

	2023	2022
	£	£
Trade debtors	6,254	3,013
Ratepayers	28,369	24,768
Housing rents	12,267	14,410

### 5. Creditors

Current liabilities:	2023	2022
	£	£
Deferred income	16,943	15,186
Housing rents	16,348	16,319
Trade creditors	36,903	73,167
Sundry creditors and accruals	108,694	113,570
Government departments	66,029	71,957
	<u>244,917</u>	<u>290,199</u>

# Port St. Mary Village Commissioners

## Notes to the financial statements (Continued)

### 6. Long term borrowing

Loans outstanding may be analysed as follows:

	2023 £	2022 £
Falling due within one year: Commercial loans	281,795	304,455
Total falling due within one year	<u>281,795</u>	<u>304,455</u>
Falling due after more than one year: Commercial loans	4,474,173	4,732,297
Total falling due after more than one year	<u>4,474,173</u>	<u>4,732,297</u>
Total loan term borrowing	<u>4,755,968</u>	<u>5,036,752</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%.

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 initially charged at 0.95% above LIBOR. In previous years the interest rate benchmark was subsequently replaced with SONIA, and in the current year the margin was reduced to 0.65% above SONIA.

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

	2023		2022
	£	£	£
General rates levied for the year		512,939	504,835
Add:			
Due from Treasury re prior year		20,619	6,666
Arrears brought forward		31,629	31,217
		<u>565,187</u>	<u>542,718</u>
Less:			
Discounts	18,656		18,951
Exempt and uninhabitable properties	7,177		7,729
Collection charges	5,495		5,339
		<u>(31,328)</u>	<u>(32,019)</u>
Treasury write (off)/back		5,864	(3,840)
Total rates collectable		<u>539,723</u>	<u>506,859</u>
Rates received in the year:			
Current year rates		446,341	438,480
Arrears collected		15,890	9,465
Balance from Treasury re prior year		20,619	6,666
		<u>482,850</u>	<u>454,611</u>
Total rates received in the year			
Balances outstanding carried forward:			
Due from Treasury re current year	21,739		20,619
Arrears – current year	13,531		13,721
– previous years	21,603		17,908
		<u>56,873</u>	<u>52,248</u>
		<u>539,723</u>	<u>506,859</u>
		2023	2022
		£	£
General rates levied for the year		512,939	504,835
Less: Discounts, exempt/uninhabitable properties & refunds		(25,833)	(26,679)
Per Comprehensive Income and Expenditure Statement		<u>487,106</u>	<u>478,156</u>



# Port St. Mary Village Commissioners

## Notes to the financial statements (Continued)

### 8. Housing Revenue Income and Expenditure

	2023	2022
	£	£
Income		
Dwelling rents (including rates)	707,413	709,164
Housing Deficiency Receivable	43,592	11,371
<b>Total income</b>	<b>751,005</b>	<b>720,535</b>
Expenditure		
Repairs and maintenance	126,581	116,961
Supervision and management	36,662	32,948
Rents, rates, taxes and other charges	120,221	119,001
Depreciation & impairment charges	292,498	289,788
	<b>575,962</b>	<b>558,698</b>
<b>Net cost of Housing Services before interest and loan repayments</b>	<b>175,043</b>	<b>161,837</b>

Included in rents, rates, taxes and other charges above is £102,827 (2022: £99,145) 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 £36,662 (2022: £32,948) 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 1.40% of the rental debit for the year (2022: 1.40%).

<b>Rent arrears</b>	2023	2022
	£	£
Rent arrears	25,937	21,574
<b>Rent arrears as a percentage of gross rent income</b>	<b>4.24%</b>	<b>3.60%</b>

Arrears written off during the year amounted to £Nil (2022: £Nil) and a decrease of £2,140 (2022 decrease: £520) was made in the provision for bad and doubtful rental debts. As at 31 March 2023 the provision stood at £12,267 (2022: £14,407).

# 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:

	2023	2022
	£	£
Opening balance payable	(71,957)	(34,304)
Deficiency grant required	43,592	11,371
Payments received from Department of Infrastructure	(35,547)	(49,024)
Closing balance payable	<u>(63,912)</u>	<u>(71,957)</u>

### 9. Employee remuneration

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

	2023	2022
	Number of Employees	Number of Employees
Remuneration Band		
£50,000 – £74,999	1	1

#### Key management compensation

Key management personnel compensation paid amounted to £87,807 including employers pension contributions (2022: £82,922).

#### Members' allowances

During the year the Authority paid £2,460 to its members in respect of their attendance at meetings, undertaking duties and responsibilities (2022: £2,460). At 31 March 2023, £Nil was payable in this respect (2022: £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 £93,181 (2022: £103,731) in respect of refuse, street lighting and other costs by Central Government departments or bodies, being £65,139 of charges from Department of Infrastructure and £28,042 of charges from Manx Utility Authorities. £14 was due at 2023 (2022: £4,023) to the MUA.

Furthermore, Central Government will meet the social housing deficiency as detailed on page 32 amounting to £43,592 (2022: £11,371). At the year end Port St Mary owed Central Government £Nil (2022: £Nil) in respect of costs incurred and £63,912 was due to Central Government (2022: £71,957) in respect of excess deficiency monies received or paid on account.

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 Joint Board was charged £91,928 (2022: £101,341) in respect of administration charges and repairs and recharge of labour. During the year, Southern Sheltered was charged £53,733 (2022: £52,536) by Port St Mary Commissioners in respect of rates. No amounts were outstanding at either 31 March 2023 or 2022.

During the year, £17,651 was received from Southern Civic Amenity Site in respect of amenity site rental (2022: £17,651). Port St Mary Commissioners have paid £48,187 (2022: £46,904) in respect of amenity site costs and other costs for the year.

During the year, Onchan District Commissioners charged £30,985 (2022: £26,582) in respect of refuse services provided to Port St Mary Commissioners

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.

# Port St. Mary Village Commissioners

## Notes to the financial statements (Continued)

### 11. Cash flow statement – Operating activities

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

	2023	2022
	£	£
Depreciation, impairment & revaluation losses for non-current assets	352,141	347,941
(Profit) on sale of fixed assets	(1,990)	(25,892)
Increase/(decrease) in creditors	(45,282)	114,221
Decrease/(increase) in debtors	70,456	(109,747)
Financing activities	180,207	128,317
Difference between FRS102 pension cost and contributions paid	93,000	76,000
	<u>648,532</u>	<u>530,840</u>

### 12. Cash flow statement – Investing activities

	2023	2022
	£	£
Purchase of fixed assets	(113,645)	(238,116)
Proceeds on sale of assets	1,990	67,142
	<u>(111,655)</u>	<u>(170,974)</u>

### 13. Cash flow statement – Financing activities

	2023	2022
	£	£
Cash receipts from short-term and long-term borrowing	-	180,158
Repayments of short-term and long-term borrowing	(280,784)	(319,477)
Loan interest paid	(183,425)	(128,375)
Interest received	3,218	58
	<u>(460,991)</u>	<u>(267,636)</u>

### 14. Cash flow statement – cash & cash equivalents

	2023	2022
	£	£
Cash at Bank and in hand	<u>352,470</u>	<u>462,996</u>

### 15. Audit fees

During the year the Authority incurred external audit fees of £8,360 (2022: £7,600).

### 16. Total rateable value

The total rateable value of the Village at 31 March 2023 is £145,007 (2022: £144,825) at the year end with a 354p rate being charged (2022: 349p).

# Port St. Mary Village Commissioners

## Notes to the financial statements (Continued)

### 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 2023 by independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

	31 March 2023	31 March 2022
Rate of increase in salaries	3.7%	4.1%
Rate of increase in pensions	2.9%	3.3%
Rate for discounting scheme liabilities	4.8%	2.6%

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 2023 Years
Longevity at the age of 65 for current pensioners	
• Men	19.6
• Women	24.7
Longevity at the age of 65 for future pensioners	
• Men	21.0
• Women	26.2

# 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 2022	1,989,000	2,941,000	952,000
Benefits paid	(63,000)	(63,000)	-
Plan participants contributions	21,000	21,000	-
Employer contributions	89,000	-	(89,000)
Current service cost	(6,000)	152,000	158,000
Interest income/(expense)	52,000	76,000	24,000
Remeasurement gains/(losses)			
• Actuarial gains	(129,000)	(1,098,000)	(969,000)
• Change in demographic assumptions	-	(69,000)	(69,000)
• Experience losses	-	(165,000)	(165,000)
• Return on plan assets excluding interest income	(249,000)	-	249,000
At 31 March 2023	<u>1,704,000</u>	<u>1,795,000</u>	<u>91,000</u>

Total cost recognised as an expense:

	2023 £	2022 £
Current service cost	158,000	128,000
Interest cost	76,000	58,000
	<u>234,000</u>	<u>186,000</u>

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

	2023 %	2022 %
Equity instruments	52	50
Bonds	34	35
Property	13	15
Cash	1	-
Total	<u>100</u>	<u>100</u>

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

	2023 £	2022 £
Interest income	52,000	38,000
Return on plan assets less interest income	(249,000)	106,000
Total return on plan assets	<u>(197,000)</u>	<u>144,000</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:

	<b>31 March 2023 £</b>	<b>31 March 2022 £</b>
Happy Valley Shelters	<b><u>59,250</u></b>	<b><u>61,119</u></b>

# Port St. Mary Village Commissioners

## Detailed Income and Expenditure Account for the year ended 31 March 2023

	2023	2023	2022	2022
	£	£	£	£
<b>Administration and general purposes</b>				
Salaries, office wages, NIC etc	198,660		175,181	
Manual wages	159		-	
Audit fees	7,376		8,840	
Accountancy	10,097		11,820	
Internal audit	227		3,780	
Legal and professional costs	8,750		7,021	
Printing and stationery	5,515		5,307	
Photocopying	1,236		728	
Staff training	3,449		4,360	
Incidentals	-		416	
Election expenses	-		388	
Memberships and subscriptions	1,273		830	
Bank charges	2,437		3,607	
Attendance allowance	2,460		2,460	
Computer charges	6,987		8,708	
Office running costs	6,794		18,401	
Telephone	1,972		2,854	
Donations	263		2,056	
Civic events	3,201		4,740	
Rate collection costs	5,495		5,339	
		<b>266,351</b>		<b>266,836</b>
Less: Income				
Housing administration fee	36,662		32,948	
SSHJB administration fee	46,942		42,204	
Search fees	4,100		5,340	
Rates surfeit	3,141		(2,344)	
Incidentals	356		103	
		<b>(91,201)</b>		<b>(78,251)</b>
		<b>175,150</b>		<b>188,585</b>
<b>Direct labour – Central costs</b>				
Manual workers – holiday, unallocated, supervising etc		37,078		24,020
Manual workers – sick pay		6,198		3,943
Vehicle costs, fuel and depreciation		28,539		32,522
Vehicles – wages		1,000		308
		<b>72,815</b>		<b>60,793</b>

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# Port St. Mary Village Commissioners

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

	2023 £	2023 £	2022 £	2022 £
<b>Property</b>				
Depreciation	29,734		27,057	
Insurance	25,890		21,723	
Town Hall costs (maintenance, heat, light, & rates)	20,161		26,716	
Town Hall maintenance wages	2,126		3,555	
Store	5,956		5,257	
Store – wages	1,743		6,503	
		<u>85,610</u>		<u>90,811</u>
<b>Less: Income</b>				
Town Hall hire	8,499		6,794	
Mast income	9,583		11,438	
Rent – garages	11,552		12,038	
Rent – other	8,695	(38,329)	7,216	(37,486)
		<u>47,281</u>		<u>53,325</u>
<b>Refuse</b>				
Wages	18,192		16,453	
Refuse expenses	91,727		89,569	
Vehicle Expenses	-		1,717	
Refuse bins	-		233	
Amenity site costs	48,187		41,428	
Refuse sacks and misc	2,180		2,376	
		<u>160,286</u>		<u>151,776</u>
<b>Less: Income</b>				
Collection of refuse	10,174		12,644	
Amenity site lease rental	17,651		17,651	
		<u>(27,825)</u>		<u>(30,295)</u>
		<u><u>132,461</u></u>		<u><u>121,481</u></u>

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# Port St. Mary Village Commissioners

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

	2023 £	2023 £	2022 £	2022 £
<b>Property</b>				
Depreciation	29,734		27,057	
Insurance	25,890		21,723	
Town Hall costs (maintenance, heat, light, & rates)	20,161		26,716	
Town Hall maintenance wages	2,126		3,555	
Store	5,956		5,257	
Store – wages	1,743		6,503	
		<u>85,610</u>		<u>90,811</u>
Less: Income				
Town Hall hire	8,499		6,794	
Mast income	9,583		11,438	
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Rent – other	8,695	(38,329)	7,216	(37,486)
		<u>47,281</u>		<u>53,325</u>
<b>Refuse</b>				
Wages	18,192		16,453	
Refuse expenses	91,727		89,569	
Vehicle Expenses	-		1,717	
Refuse bins	-		233	
Amenity site costs	48,187		41,428	
Refuse sacks and misc	2,180		2,376	
		<u>160,286</u>		<u>151,776</u>
Less: Income				
Collection of refuse	10,174		12,644	
Amenity site lease rental	17,651		17,651	
		<u>(27,825)</u>		<u>(30,295)</u>
		<u><u>132,461</u></u>		<u><u>121,481</u></u>

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# Port St. Mary Village Commissioners

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

	2023 £	2023 £	2022 £	2022 £
<b>Public Amenities</b>				
Annual contribution to Southern Local Authority				
Swimming Pool		3,621		3,531
Memorials		2,484		468
Memorial - wages		1,241		763
Outdoor seating		108		560
Outdoor seating – wages		3,085		6,244
Playground equipment		477		2,388
Playground – wages		3,462		1,682
Christmas tree		13,589		5,281
Christmas tree – wages		3,923		1,435
Signage		685		180
Chapel Beach – cleaning & bathing raft		1,744		935
Miscellaneous		1,158		1,864
		<u>35,577</u>		<u>25,331</u>
Less: Income				
Memorial seats subscriptions		(1,344)		(2,115)
		<u>34,233</u>		<u>23,216</u>
<b>Guides and general advertising</b>				
Plaques and flags		273		416
Flags – wages		2,901		2,562
		<u>3,174</u>		<u>2,978</u>
<b>Recharge costs</b>				
DLO salary costs		38,950		41,112
Telephone, mileage costs		7,028		10,256
Equipment and fuel		6,036		5,297
		<u>52,014</u>		<u>56,665</u>
<b>Recharge income</b>				
SSHJB recharges		(52,014)		(56,665)
		<u>-</u>		<u>-</u>
<b>Bad Debt provision</b>				
Bad Debt write off		6,843		1,240
		<u>(5,864)</u>		<u>3,844</u>
		<u>979</u>		<u>5,084</u>

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