

Southern Civic Amenity Site Board

Financial Statements

For the year ended 31 March 2023

Southern Civic Amenity Site Board

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Southern Civic Amenity Site Board

Members, Officers and Advisers

for the year ended 31 March 2023

Southern Civic Amenity Site Board's registered address is:

Castletown Road
Port St Mary
Isle of Man
IM9 5LS

The Board is made up of a representative from each Southern based Local Authority, this includes Arbory and Rushen, Castletown, Malew, Port Erin and Port St Mary. The site provides facilities for local residents to deposit items of general bulky household waste which will not fit into the household waste bin (e.g. washing machines, kitchen units). The Site also provides a recycling service for a number of materials including lead acid batteries (e.g. car batteries); dry cell batteries (e.g. rechargeable or single use batteries); scrap metal; garden waste; glass; cans; plastic bottles; paper and clothing. Potentially hazardous household waste including fridges/freezers, televisions, computer monitors and fluorescent lamps are accepted for recycling also at a charge. Commercial waste is also accepted at the site and is chargeable

The Board is made up of five elected representatives, one from each of the above named Local Authorities. The Board members for the year ended 31 March 2023 and to date were:

Mr Jerry Ludford Brooks (Chair) – Castletown
Mr Alan Grace (Vice-Chair) – Port St Mary
Mr Stan Pilling – Arbory and Rushen
Mr Godfrey Egee – Port Erin
Mr Mike Norrey – Malew

The Clerk was Mr Jason Roberts with the administrative contract provided by Port Erin Commissioners.

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

Their registered addresses are as follows:

Alexander Elliott
4 Christian Road
Douglas
Isle of Man
IMI 2SD

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

Southern Civic Amenity Site Board

Explanatory Foreword

for the year ended 31 March 2023

Board's objectives

The Board published the below Statement of Intent, which is available on their website and reviewed annually.

General Statement of Intent for the Southern Civic Amenity Site Board

As a Board we recognise the importance of providing a working environment that is safe and healthy for all employees, contractors, visitors and anyone who may be affected by the Site activities.

Our policy is to provide, plus maintain, safe and healthy working conditions. This includes safe plant/equipment and systems of work and to provide such information, training and supervision as needed for this purpose.

We aim to comply with all relevant legal requirements, promote best practice and aim to achieve or exceed the recognised standards of the regulatory bodies.

It is our intention to demonstrate an on-going commitment to improving health and safety at work and we recognise that effective health and safety at work actively contributes to the success of the Site and our commitment to this is vital for the success of the business.

The allocation of duties and the particular arrangements made to ensure the implementation of the policy are set out in this document.

They apply to all employees, contractors and visitors working or using the Southern Civic Amenity Site.

The policy will be kept up to date, particularly as the business changes in nature and size; it will be reviewed annually or sooner if required.

Overall financial performance and results for the year

The income and expenditure account reports the net cost for the year of all functions for which the board is responsible, and how those costs are financed from general government grants and from revenue receipts from operating the Site and interest receivable on bank deposits.

The comprehensive income and expenditure account reports a surplus of £267,516 (2022: surplus £71,781) After adjustments shown on page 10, the general reserve result for the year is a surplus of £51,282 (2022: deficit £8,994) leaving retained reserves of £108,538 (2022: £57,256).

Significant achievements

Additional traffic management and site layout changes have been implemented throughout the year which has further improved the operation of the site. Planning permission has been obtained to significantly improve access to the site from Castletown Road and is planned to progress in the next financial year. Further investment in its own waste containers and a recycling wall for smaller recyclable items has been undertaken in the period.

Southern Civic Amenity Site Board

Explanatory Foreword (continued)

for the year ended 31 March 2023

Significant achievements (continued)

Health & Safety at the Site has further improved with regular reviews of working practices. The Site accepted commercial waste throughout the year.

The waste handler has improved the safety, speed and weights of container loading.

Further recycling streams have been introduced in the period, such as plate glass, large plastics and cardboard with further waste streams due to come into effect in the early part of the next financial year.

Compost produced from green waste deposited at the site has continued to be sold to the public in reusable containers, which has proven very popular.

The site's composting equipment and digger were disposed of at auction during the period.

Issues likely to shape future performance

Further investment to the site is planned now that planning permission has been obtained to improve the accessibility to and from the site onto Castletown Road. The works are planned to include improved lane markings and signage, speed controls, replacement fencing, alterations to the gateway, LED lighting and improved CCTV coverage of the site.

The reuse area continues to be monitored by the Board.

Southern Civic Amenity Site Board

Statement of Responsibilities for the Statement of Accounts *for the year ended 31 March 2023*

The Board's responsibilities

The Board 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; and
- approve the Statement of Accounts.

The Responsible Financial Officer's responsibilities

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

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

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

The Responsible Financial Officer has also:

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

Southern Civic Amenity Site Board

INDEPENDENT CHARTERED ACCOUNTANT'S REVIEW REPORT TO THE BOARD OF SOUTHERN CIVIC AMENITY SITE

We have reviewed the financial statements of Southern Civic Amenity Site for the year 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 (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 4, 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.

Southern Civic Amenity Site Board

INDEPENDENT CHARTERED ACCOUNTANT'S REVIEW REPORT TO THE BOARD OF SOUTHERN CIVIC AMENITY SITE (CONTINUED)

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 year then ended;
- in accordance with the provisions of the Accounts and audit Regulations 2018, and with any regulations under Section 12 and any directions, as applicable, 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;
- in accordance with any other statutory provisions applicable to them.

Use of our report

This report is made solely to the Board Members, as a body, in accordance with the terms of our engagement letter dated 27 April 2020. Our review work has been undertaken so that we might state to the Board Members 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 Board and its Members 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: *19 March 2024*

Southern Civic Amenity Site Board

Statement of Internal Control

for the year ended 31 March 2023

Introduction

Regulation 6 of the Accounts and Audit Regulations 2018 requires the Board 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 Board's statement of accounts.

This statement is made by the Southern Civic Amenity Site Board to the Isle of Man Government Treasury in accordance with the requirements of the Isle of Man Government's Corporate Governance Principles and Code of Conduct ("the Code").

Responsibilities of the Board and the Responsible Financial Officer

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

The Board is responsible for implementing and maintaining systems of internal control and corporate governance which:

- ensure compliance with legislation and other regulations;
- safeguard public money, ensure that it is properly accounted for and that it is used economically, efficiently and effectively; and
- support the achievement of the strategy, policies, aims and objectives approved by the Board.

In discharging this responsibility, the Board works with senior officers to put in place arrangements for the governance of the Board's affairs and the stewardship of resources, in accordance with the Code.

Internal control and corporate governance environment

The Board'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:

- ***Board's corporate governance framework***

A corporate governance framework has been developed which documents the Board's policies and procedures in relation to community focus, performance management, internal control, risk management, delegated Board, 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 Board's internal control and corporate governance environment.

- ***Board meetings***

The Board meets monthly and consists of a Chairman and 4 other Board members. The Board receive reports from the Site's officer 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 Board.

Southern Civic Amenity Site Board

Statement of Internal Control (continued)

for the year ended 31 March 2023

Review of internal control and corporate governance environment

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

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 Board's internal control and corporate governance arrangements are adequate and operate effectively during the year ended 31 March 2023.

During the year ended 31 March 2023, there were no high-risk observations.

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

(Signed) J.M.V. Keeford-Brooks

(Chairman)

(Signed) [Signature]

(Responsible Finance Officer)

(Dated) 18/3/24

Southern Civic Amenity Site Board

Comprehensive Income and Expenditure Statement

for the year ended 31 March 2023

	Notes	2023 £	2022 £
Income			
Parish contributions		477,814	404,020
Commercial users		53,450	52,691
Battery income		1,442	2,354
Miscellaneous		45,589	35,289
Metal disposal income		38,171	33,191
		616,466	527,545
Expenses			
Personnel costs			
Wages and salaries		72,483	70,564
Contractors' charge		60,434	52,366
ITIP and national insurance		6,517	6,455
Pension contributions		7,293	7,026
		146,727	136,411
Operational costs			
Refuse collection charge		160,282	158,322
Waste transportation		48,757	34,380
Rent		17,651	17,651
Vehicle expenses		8,178	11,617
Site maintenance		10,010	44,023
Administration expenses		1,017	474
Management charge – Port Erin		23,987	23,132
Insurance		16,341	12,291
Equipment hire and maintenance		48,298	17,380
Members' expenses		1,440	1,560
Miscellaneous expenses		9,396	6,722
Telephone and electricity		4,331	4,127
Rates		508	474
Staff training		840	-
Legal and professional fees		5,817	3,525
Accountancy fees		3,250	3,025
Internal audit fees		1,000	1,000
Independent examination		2,250	2,000
Bad debts		4,321	(185)
Depreciation		24,549	7,835
		392,223	349,353
Net cost of services		77,516	41,781
Net current service cost of pensions	10	(7,000)	(9,000)
		70,516	32,781
Other income			
Net pension interest cost	10	(5,000)	(4,000)
		65,516	28,781
Other comprehensive income			
Re-measurement of net pension liability	10	202,000	43,000
Total comprehensive income and expenditure		267,516	71,781

Southern Civic Amenity Site Board

Statement of Movement on Reserves for the year ended 31 March 2023

	<i>Notes</i>	General reserve £	Capital adjustment account £	Pensions reserve £
Total comprehensive income and expenditure		65,516	-	202,000
Depreciation and impairment of fixed assets	1	24,549	(24,549)	
Fixed assets financed from General Fund	1	(50,783)	50,783	-
Net charges made for retirement benefits	10	12,000	-	(12,000)
		<u>51,282</u>	<u>26,234</u>	<u>190,000</u>
Balance brought forward		57,256	79,290	(186,000)
Balance carried forward		<u>108,538</u>	<u>105,524</u>	<u>4,000</u>

Southern Civic Amenity Site Board

Statement of Movement on Reserves

for the year ended 31 March 2022

	General reserve	Capital adjustment account	Pensions reserve
	£	£	£
Total comprehensive income and expenditure	28,781	-	43,000
Depreciation and impairment of fixed assets	7,835	(7,835)	-
Fixed assets financed from General Fund	(58,610)	58,610	-
Net charges made for retirement benefits	13,000	-	(13,000)
	<u>(8,994)</u>	<u>50,775</u>	<u>30,000</u>
Balance brought forward	66,250	28,515	(216,000)
Balance carried forward	<u>57,256</u>	<u>79,290</u>	<u>(186,000)</u>

Southern Civic Amenity Site Board

Balance Sheet

as at 31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible fixed assets	1		105,524		79,288
Long-term Pension debtor	10		4,000		-
Current assets					
Stock		2,634		-	
Debtors	2	29,042		50,914	
Cash and cash equivalents	3	150,865		167,600	
		<u>182,541</u>		<u>218,514</u>	
Current liabilities					
Creditors	4	(74,003)		(161,256)	
			<u>108,538</u>		<u>57,258</u>
			<u>218,062</u>		<u>136,546</u>
Long-term liabilities					
Net pension liabilities	10	-		186,000	
			<u>-</u>	<u>186,000</u>	<u>(186,000)</u>
Total assets less liabilities					
			<u>218,062</u>		<u>(49,454)</u>
Reserves:					
Capital adjustment account			105,524		79,290
General fund reserve			108,538		57,256
Pension reserve			4,000		(186,000)
			<u>218,062</u>		<u>(49,454)</u>

The financial statements were approved by the Board on 18/3/24 and were signed on their behalf by:

J.M.V. Leadford-Ronald

Chairman

[Signature]

RFO

Southern Civic Amenity Site Board

Cash Flow Statement

for the year ended 31 March 2023

	<i>Notes</i>	2023	2023	2022
		£	£	£
Net surplus on provision of services		65,516		28,781
Adjustments to net surplus on provision of services for non-cash movements	7	(31,466)		102,898
Net cash flows from Operating Activities			34,050	131,679
Net cash flows from Investing Activities	8	(50,785)		(58,610)
			(50,785)	(58,610)
Net (decrease)/increase in cash and cash equivalents			(16,735)	73,069
Cash & cash equivalents at the beginning of the reporting period			167,600	94,531
Cash & cash equivalents at the end of the reporting period			150,865	167,600

Southern Civic Amenity Site Board

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 (£) and rounded 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

Revenue represents amounts received from parish contributions and other income generated from running the Amenity Site.

4. Accruals of income and expenditure

The accounts of the Board 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.

6. Tangible fixed assets

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

Southern Civic Amenity Site Board

Statement of Accounting Policies (continued)

for the year ended 31 March 2023

6. Tangible fixed assets (continued)

(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 Board; 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:

- Operational assets – historic cost

(c) 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.

(d) 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).

Southern Civic Amenity Site Board

Statement of Accounting Policies (continued)

for the year ended 31 March 2023

6. Tangible fixed assets (continued)

(d) Depreciation (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:

Operational assets:

Computer equipment	3 years
Plant and machinery	5 to 15 years
Assets held under finance leases	3 years

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

(e) 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 Board's cash management.

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.

Southern Civic Amenity Site Board

Statement of Accounting Policies (continued)

for the year ended 31 March 2023

11. Employee benefits

The Board 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 Board 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 Board 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 Board's defined benefit obligation at the end of the reporting date less the fair value of the plan assets attributable to the Board's members at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the administering Board engages independent actuaries to calculate the obligation of the Board. 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 year; 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'.

Southern Civic Amenity Site Board

Statement of Accounting Policies (continued)

for the year ended 31 March 2023

12. 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.

13. Finance leases

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to the Comprehensive Income and Expenditure Statement on an accruals basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the authority recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight line basis.

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 Board maintains the following significant reserves:

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

The following reserves have been established in accordance with the capital accounting provisions. They are not fully backed by cash, nor generally available to finance expenditure:

Pension reserve: The pensions reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding those benefits.

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.

Southern Civic Amenity Site Board

Significant Judgements and Estimates

for the year ended 31 March 2023

(a) Judgements

In applying the accounting policies set out above the Board 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:

- Property, Plant and Equipment assets are judged to be held for their service potential rather than future resale value and therefore the Board 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 Board 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 Board 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.

Southern Civic Amenity Site Board

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

1. Tangible fixed assets

<i>Operational assets</i>	Computer equipment	Plant & machinery	Total
	£	£	£
Cost or valuation			
At 1 April 2022	1,230	191,791	193,021
Additions	650	50,135	50,785
At 31 March 2023	1,880	241,926	243,806
Depreciation			
At 1 April 2022	1,230	112,503	113,733
Charge for the year	130	24,419	24,549
At 31 March 2022	1,360	136,922	138,282
Net book value			
At 31 March 2023	520	105,004	105,524
At 31 March 2022	-	79,288	79,288

2. Debtors

	2023	2022
	£	£
Amounts falling due in one year:		
Government departments	7,268	32,524
Other local authorities	496	489
Trade debtors	18,262	15,798
Accrued income	-	196
Other debtors	-	598
Prepayments	3,016	1,309
	29,042	50,914

Southern Civic Amenity Site Board

Notes to the financial statements (continued)

for the year ended 31 March 2023

3. Cash and cash equivalents

	2023	2022
	£	£
Cash at bank	150,865	167,600
	<u>150,865</u>	<u>167,600</u>

4. Creditors

	2023	2022
	£	£
Amounts falling due in one year:		
Government departments	1,811	42,002
Other local authorities	7,694	11,290
Trade creditors	24,919	95,748
Accruals	37,552	11,037
Other creditors	2,027	1,179
	<u>74,003</u>	<u>161,256</u>

5. Members' allowances

During 2022/23 the board paid £1,440 to its members in respect of their attendance at meetings, undertaking duties and responsibilities (2022: £1,560). Members may be remunerated by their individual authorities for their attendance. There were no amounts outstanding at the year end.

6. 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 board. Disclosure of these transactions allows readers to assess the extent to which the board 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 board.

Central Government - has a direct influence over the general operations of the board – it is responsible for providing the statutory framework within which the board operates. During the year £248 (2022: £509) was received from Government departments in respect of amenity site costs. At 31 March 2023, £7,268 (2022: £32,524) was due from Government departments in respect of VAT and amenity site costs.

During the year, Southern Civic Amenity Site was charged £113,910 (2022: £112,529) by Government departments in respect of refuse collection and landfill charges. At 31 March 2023, £1,811 was due to Government departments in this respect (2022: £42,002).

Other local authorities contribute to the running of the Site. During the year, £477,814 (2022: £404,020) was received in respect of Parish contributions and £10,122 (2022: £10,627) in respect of amenity site costs from other local authorities. At 31 March 2023, £496 (2022: £489) was due from other local authorities in respect of amenity site costs.

Southern Civic Amenity Site Board

Notes to the financial statements (continued)

for the year ended 31 March 2023

6. Related party transactions (continued)

During the year, Southern Civic Amenity Site was charged £35,000 (2022: £31,265) in respect of administration charges and repairs by Port Erin Commissioners and £17,651 in respect of amenity site rent (2022: £17,651) by Port St Mary Commissioners. At 31 March 2023, £5,295 was due to Port St Mary Commissioners in respect of rent (2022: £4,413) and £ 2,399 was due to Port Erin Commissioners in respect of administration charges and repairs (2022: £7,060).

During the year, Southern Civic Amenity Site paid £4,138 (2022: £3,305) to Manx Utilities Authority in respect of electricity and water charges. At 31 March 2023, £Nil was due to Manx Utilities in this respect (2022: £nil).

Members of the board - have direct control over the board's financial and operating policies. All board members are asked to complete a disclosure statement in respect of themselves and their family members/close relatives, detailing any material transactions with related parties. During 2022/23 and 2021/22 no related party disclosures arose in relation to members of the board other than those disclosed in note 5.

7. 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	24,549	7,835
(Decrease)/increase in creditors	(87,253)	94,452
Decrease/(increase) in debtors	21,872	(12,389)
Increase in stock	(2,634)	-
Difference between FRS102 pension cost and contributions paid	12,000	13,000
	<u>(31,466)</u>	<u>102,898</u>

8. Cash flow statement – Investing activities

	2023	2022
	£	£
Purchase of assets (Fixed assets, investment property, intangible assets)	(50,785)	(58,610)
	<u>(50,785)</u>	<u>(58,610)</u>

Southern Civic Amenity Site Board

Notes to the financial statements (continued)

for the year ended 31 March 2023

9. Independent examination fees

During the year the Board incurred independent examination fees of £2,250 (2022: £2,000).

10. Post-employment benefits

The Board 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 Board. The Board has committed to a funding plan with the Administering Board, whereby ordinary contributions are made into the scheme based on a percentage of active employees' salary. Additional contributions are agreed with the Administering Board to reduce the funding deficit where necessary.

A comprehensive actuarial valuation of the Isle of Man 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	3.65%	4.00%
Rate of increase in pensions	2.85%	3.20%
Rate for discounting scheme liabilities	4.8%	2.60%

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

Southern Civic Amenity Site Board

Notes to the financial statements (continued)

for the year ended 31 March 2023

10. Post-employment benefits (continued)

Reconciliation of scheme assets and liabilities:

	Assets £	Liabilities £	Total £
At 1 April 2022	308,000	(494,000)	(186,000)
Benefits paid	-	-	-
Employer contributions	7,000	-	7,000
Plan participants' contributions	2,000	(2,000)	-
Current service and administration cost	(1,000)	(13,000)	(14,000)
Interest income/(expense)	8,000	(13,000)	(5,000)
Remeasurement gains:			
Actuarial gains/(losses)	(17,000)	229,000	212,000
Return on plan assets excluding interest income	(39,000)	-	(39,000)
Change in demographic assumptions	-	10,000	10,000
Experience gain	-	19,000	19,000
At 31 March 2023	268,000	(264,000)	4,000

Total cost recognised as an expense (no amounts were included in the cost of assets in either year):

	2023 £	2022 £
Current service cost	14,000	16,000
Interest cost	5,000	4,000
	19,000	20,000

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

	2023	2022
Equity instruments	52%	50%
Bonds	34%	35%
Property	13%	15%
Cash	1%	0%

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

	2023 £	2022 £
Interest income	8,000	6,000
Return on plan assets less interest income	(39,000)	16,000
Total return on plan assets	(31,000)	22,000

Southern Civic Amenity Site Board

Notes to the financial statements (continued)

for the year ended 31 March 2023

11. Operating lease commitments

The board rents land from Port St Mary Commissioners as disclosed in note 6. The rental agreement is for £17,651 per annum exclusive of VAT and the lease term runs until 29 April 2027 at this level.

The board also has a lease commitments in respect of a lease with JCB Finance in respect of a digger with an amount of £3,095 payable monthly. This lease runs until 18 February 2027.

Total lease commitments falling due are shown below.

Operating lease commitments due within one year	£ 54,791
Operating lease commitments due between one and five year	161,278

12. Contingent liabilities

After the end of the financial period, two separate Employment & Equality Tribunal claims have been submitted against the Southern Civic Amenity Site Board, both of which have been disputed and remain ongoing.

The first claim for detriment due to discrimination is likely to run through until around July 2024 based on the latest directions, however any financial outflow cannot be reliably estimated at the time of signing of the financial statements.

The second claim for unfair dismissal has not yet been accepted by the Employment & Equality Tribunal, therefore the timing and value of any financial outflow cannot be reliably estimated at the time of signing of the financial statements.

Both claims have been lodged with the Board's insurers, however due to the uncertainties discussed above, we are unable to estimate any possibility of reimbursement at this time.

