

Western Swimming Pool Board

Statement of Accounts

For the year ended 31 March 2023

WESTERN SWIMMING POOL BOARD

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WESTERN SWIMMING POOL BOARD

Members, Officers and Advisors

The Western Swimming Pool Board was created by the Department of Local Government and the Environment under the 1999 Board Order approved by Tynwald. It is a joint Board constituted from five members, one member from each of the contributing Local Authorities: Peel Town, the parishes of German, Marown and Patrick, and Michael District Authority. Each one of these raises income from their ratepayers towards Pool funding.

The Board structure consists of a Chairman, Vice Chairman and three other members. A member is appointed by each constituent Authority from among the members of that Authority. A member of the Board can hold office for a term of 3 years from the 1st of May in the year of appointment; and a member appointed to fill a casual vacancy can hold office for the same term as the member that was replaced. Meetings of the Board are held monthly. The current Board members are: Fiona Moore (Chair) - German Parish, Diane Kelly (Vice Chair) - Michael District Authority, Henry Bridson - Patrick Parish, Eliza Cox - Marown Parish and Christine Moughtin - Peel Town.

The Chair and Vice Chair undertake responsibilities in the conduct of the Board meetings and oversight in the supervision of the Administrator (Phil Littlejohns) and Responsible Financial Officer (Amy Quayle) in the day-to-day activities of the Pool. These officers provide information and advice to the members of the Board to support the decision-making process.

Preparation of the year end accounts is undertaken by the Responsible Financial Officer.

As the Western Swimming Pool income exceeds £1,000,000, the Statement of Accounts are subject to a full statutory audit. The audit has been performed by Crowe Isle of Man Audit LLC.

Internal auditors

Alexander Elliott
Sovereign House
Douglas
IM1 2SD

Independent auditors

Crowe Isle of Man Audit LLC
6th Floor
Victory House
Prospect Hill
Douglas
IM1 1EQ

Business Premises

The address of the organisation is Western Swimming Pool, Derby Road, Peel, IM5 1SW.

WESTERN SWIMMING POOL BOARD

Explanatory Foreword

The Western Swimming Pool opened in 2004 with the purpose of providing recreational facilities associated with swimming pools and other water facilities. Since then, it has gone from strength to strength in the provision of a wide variety of swimming lessons across a broad spectrum of the island's population including babies, pre-school and school age children, mums to be, physical rehabilitation participants, sports and swimming athletes and senior citizens. Additionally, water sports and recreational activities have been enjoyed including kayaking, octopush, lifesaving, exercise and fitness, snorkelling, and synchronised swimming.

The Pool provides a valuable facility for the local schools from the constituent Local Authorities for regular swimming lessons under the school curriculum.

Many of the younger swimmers continue into Peel Swimming Club. This is operated by a separate Committee to the pool administration and is aimed at children who are competent swimmers who have a keen interest in swimming and who wish to continue training to a competitive standard for National and Youth Championships.

A key partner in the wider island strategy is Manx Sport and Recreation, part of the Isle of Man Government's Department of Education, Sport and Culture. In November 2014, the Department launched the Isle of Man Strategy for Sport 2014 – 2024 which outlined 10 key objectives that Manx Sport & Recreation will aim to deliver in partnership with other bodies. The ultimate aim is of achieving 'more people, more active, more often'. The Pool is an important provider in the west of the island in working to assist in these objectives and build on their success.

Due to the increasing cost of utilities, the Isle of Man Government agreed to underwrite the increase of both gas and electricity invoices in 2022/2023 against the invoices for the same periods from the financial year 2021/2022. This funding is in addition to the subvention already being received. This agreement is due to come to an end on 31st March 2023. The Isle of Man Government has now confirmed that the underwrite of the utilities will be extended to 31st March 2023. This was agreed verbally and no formal, written agreement has been received.

The Board acknowledge and express their appreciation for the significant contributions from the constituent local authorities and from the Isle of Man Government.

WESTERN SWIMMING POOL BOARD

Explanatory Foreword (continued)

Overall Financial Performance

The Income and Expenditure Account covers the day to day running costs of the Board's services.

Net expenditure is met from income from the following sources:

- Government grants
- Contributions from other local authorities
- Income from services and sales

The year ended 31 March 2023 resulted in a surplus of £34,504 (2022 surplus: £37,673). At 31 March 2023, the Board held £291,718 (2022: £246,324) in its general revenue reserve.

As a result of the external review commissioned by The Isle of Man Government, a further costing exercise has commenced to review how the regional pools are funding going forward. Work began on this costing exercise in March and the findings are due to be brought to Tynwald in October. The exercise will review maintenance costs and staffing costs in addition to the rising costs of utilities. The costing exercise initially outlined three possible outcomes which included, 1) One or all regional swimming pools to be moved under Government control 2) Regional pools to remain under Local Authority control with a Service Level Agreement in place or 3) To do nothing and leave the regional swimming pools under Local Authority control.

The risk of Government funding being reduced or withdrawn remains small. The Board are of the opinion that Government will continue to provide financial support however it is unclear if the pool will remain under control of Local Authority or Government control. Local Authorities at the time of signing the Financial Statements, are continuing to withhold a funding increase until the Isle of Man Government have made a decision on pool funding for the future.

WESTERN SWIMMING POOL BOARD

Certificate of the Tynwald Auditor General

In accordance with section 3(1) of the Audit Act 2006 I have appointed Crowe Isle of Man LLC to audit the accounts of Western Swimming Pool Board 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

6 Finch Road
Douglas
Isle of Man
IM1 3PW

21 December 2023

WESTERN SWIMMING POOL BOARD

Independent Auditor's Report to the Members of Western Swimming Pool Board

Opinion

We have audited the statement of accounts of Western Swimming Pool Board 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 and notes to the Financial Statements, 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).

In our opinion, the statement of accounts:

- give a true and fair view of the state of the Board's affairs as at 31 March 2023 and of its total comprehensive income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Accounts and Audit Regulations 2018 with key consideration of Regulation 10(2) and the relevant provisions of the Audit Act 2006; 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 statement of accounts section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the statement of accounts in the UK, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Board's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

WESTERN SWIMMING POOL BOARD

Independent Auditor's Report to the Members of Western Swimming Pool Board (continued)

Other information

The Commissioners are responsible for the other information. The other information comprises the information included in this report, other than the statement of accounts and our auditor's report thereon. Our opinion on the statement of accounts 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 statement of accounts 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 statement of accounts 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 Section 4 of the Audit Act 2006 requires us to report to you if, in our opinion:

- any transaction effected by or on accounts of the Board is or will be contrary to law; or
- the internal organisation of the Board and the controls maintained by it are not sufficient as to secure proper management of the finances of the local Board and economy and efficiency in the use of its resources.

Responsibilities of Responsible Financial Officer

As explained more fully in the Responsible Financial Officer's responsibilities statement 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 statement of accounts that are free from material misstatement, whether due to fraud or error.

In preparing statement of accounts, the Responsible Financial Officer is responsible for assessing the Board'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 Board intends to cease operations or have no realistic alternative but to do so.

WESTERN SWIMMING POOL BOARD

Independent Auditor's Report to the Members of Western Swimming Pool Board (continued)

Auditor's responsibilities for the audit of the statement of accounts

Our objectives are to obtain reasonable assurance about whether the statement of accounts 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 statement of accounts.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We considered the opportunities for non-compliance with the key laws and regulations affecting the Board. We identified the Audit Act 2006 and the Accounts and Audit Regulations 2018 as the primary pieces of legislation and regulation affecting the entity. We reviewed the legislation to conclude whether there has been any activity in the Scheme which is required to be disclosed under this legislation.
- We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, management override in the manipulation of financial information and bias in the use of estimates. We discussed these risks with the Board's administrators and designed audit procedures to mitigate the risks identified. These included tests on the recognition of revenue, testing a sample of journals to confirm they were appropriate for the transactions noted in the year and reviewing the design and implementation of the controls in significant financial systems.

A further description of our responsibilities for the audit of the statement of accounts is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

When auditing the financial statements, we have followed the requirements of the Audit Act 2006 with key consideration of Sections 4(2) and 4(3). These responsibilities include consideration of whether:

- the payment or application of money or other property held or received by or on account of the Board; or
- a transaction effected by or on account of the Board is or will be contrary to law.

In auditing the accounts, we are also required to consider whether the internal organisation of the Board and the internal controls maintained by it, are such as to secure the proper management of the finances of the Board and economy and efficiency in the use of its resources.

WESTERN SWIMMING POOL BOARD

Independent Auditor's Report to the Members of Western Swimming Pool Board (continued)

Use of our report

This report is made solely to the Board's members, as a body. Our audit work has been undertaken so that we might state to the Board'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 Board and the Board's members as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe Isle of Man Audit LLC

Crowe Isle of Man Audit LLC

Chartered Accountants

6th Floor, Victory House

Prospect Hill

Douglas

Isle of Man

IM1 1EQ

Date *21st December 2023*

WESTERN SWIMMING POOL BOARD

Statement of Internal Control

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 Western Swimming Pool 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 Finance Officer

The Board controls strategy, policy, and key financial and operational matters within the Pool. In addition, it is the Board's responsibility to ensure that the work of the Responsible Finance 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 ongoing 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 functions, 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 should meet monthly and consists of a Chairman, Vice Chairman and three other Board members. The Board receive reports from the Board's Officers on operational matters and ensure that the work of the Responsible Finance Officer and other senior officers supports the strategy and policy approved by the Board.

WESTERN SWIMMING POOL BOARD

Statement of Internal Control (continued)

Internal control and corporate governance environment (continued)

- **Internal audit function**

The internal audit function monitors compliance with the internal control structure and assesses its effectiveness. They also identify risks that may impact the Board, highlight the recommended level of monitoring of these risks and suggest recommendations for addressing and managing risks to an acceptable level.

The key areas considered, implications, mitigating controls and the internal audit conclusion has been summarised below:

Controls	Result/Implications	Mitigating controls	Grade and conclusion
Interruption to services	<p>Without the subsidies received from the Isle of Man government it is unlikely that the Island's pools could ever be commercially viable.</p> <p>With rising costs, the pool is under pressure and the Board have found themselves underfunded to operate the facility, leading to a continuing deterioration in services and increases in downtime.</p>	<p>Pool fitness classes have been increased to support government fitness training and physical rehabilitation policy and therefore reducing costs to the health service.</p> <p>There has been increased support from the Local Authorities on costs.</p> <p>Pool opening hours have been adjusted and reduced to increase profitability.</p>	High Mitigated
Data Protection	Old and outdated data held would be in breach of Data Protection regulations.	Old data has been cleared out and a matrix put in place, with the swimming group information being held securely.	Moderate Mitigated
Equality Act 2017	<p>Equality Act training has been undertaken by both Management and supervisory staff. The Assistant Manager includes it in all induction courses.</p> <p>Disabled access is now at an acceptable level, except for the changing rooms, which are not compliant.</p>	Appropriate training is provided however additional funds are required to continue this training.	Moderate

WESTERN SWIMMING POOL BOARD

Statement of Internal Control (continued)

Controls	Result/Implications	Mitigating controls	Grade and conclusion
Fire, Health and Safety	<p>A health and safety consultant is retained as an external adviser. The external adviser has carried out reviews of the health and safety procedures and risk assessments in non-pool related areas, such as the Café and is happy with the standards adopted.</p> <p>A risk register, based on the CIMSPA model, is in place.</p> <p>A tracking system for accidents and incidents is in place.</p> <p>The COSHH register has been updated and a plan put in place for a regular review.</p> <p>Staff training takes place every month, with safety being the main objective. The health and safety consultant, in addition to completing all of the risk assessments has been used to assist with training.</p>	<p>As detailed a consultant is retained, a risk register and accident tracking system is in place.</p> <p>Regular staff training is being carried out.</p>	Moderate (Mitigated)
Control of cash	Cash is a risk to all businesses as it increases the risk of fraud.	<p>All cash counting is carried out inside a locked office. Little cash is maintained in the tills with the majority stored in the Manager's drawer or in the safe prior to banking. The safe has a combination lock. Banking is carried out on a regular basis.</p> <p>Whilst this reduces the risk of fraud/theft it does not eliminate it which would only be possible if no cash was handled at all.</p>	Moderate (Mitigated)

WESTERN SWIMMING POOL BOARD

Statement of Internal Control (continued)

Controls	Result/Implications	Mitigating controls	Grade and conclusion
Personal risk	<p>Members of the Board and staff are subject to risk in the respect that they can become personally responsible for loss, damage or injury caused to others (be they members of the public or staff) if it can be shown they acted in a negligent manner.</p> <p>The financial risk is covered by insurance but the social threat or even the prospect of imprisonment is still a possibility.</p>	Appropriate courses are encouraged and the responsibility that comes with the role within the Board and entity is emphasised to individuals.	Moderate (Mitigated)

In addition to the controls noted above, the following financial activities form part of the internal control and corporate governance environment:

- comprehensive budgeting systems;
- reviews of regular, periodic and annual financial reports to evaluate financial performance and actual expenditure against forecasts;
- setting targets to measure financial and other performance; and
- clearly defined capital expenditure guidelines.

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 senior officers and the Board.

The review of the effectiveness of the system of internal financial control is informed by:

- the work of the Responsible Finance Officer within the Board
- the work of the internal auditors as described above, and
- the external auditors in their annual audit letter and other reports.

The internal audit determined that interruption of services remains the only observation at high risk. Other observations are considered, to be of moderate risk to the business.

The Responsible Finance Officer works with the Board and the Administrator to discuss the detailed findings of the report with a view to implementing, where practical, the key recommendations of the Internal Auditor.

WESTERN SWIMMING POOL BOARD

Statement of Internal Control (continued)

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

(Signed) *J. H. Moore* (Chairman)

(Signed) *A. Boyle* (Responsible Finance Officer)

Dated 21/12/23

WESTERN SWIMMING POOL BOARD

Comprehensive Income and Expenditure Statement for the year ended 31 March 2023

	Gross expenditure	Gross income	2022/23 Net expenditure	2021/22 Net expenditure
	£	£	£	£
Operation of the pool	(1,122,416)	692,994	(429,422)	(421,601)
Net cost of services			(429,422)	(421,601)
Interest payable and finance charges			(72,462)	(56,270)
Interest and investment income			1,883	81
Other income			2,500	-
Net operating expenditure			(497,501)	(477,790)
Sources of finance				
Income from rates contributions			24,785	24,435
Government deficiency payments			507,220	491,028
Surplus on provision of services			34,504	37,673
Other comprehensive income and expenditure				
Surplus on revaluation of fixed assets			-	-
Total comprehensive income and expenditure			34,504	37,673

WESTERN SWIMMING POOL BOARD

Statement of Movement on Reserves

for the year ended 31 March 2023

	General revenue reserve £	Capital adjustment account £	Revaluation reserve £	Reserve fund £
Total comprehensive income and expenditure	34,504	-	-	-
Depreciation and impairment of fixed assets	129,253	(129,253)	-	-
Release of deferred income	(28,605)	28,605	-	-
Loan fund principal repayments	(89,758)	89,758	-	-
	<u>45,394</u>	<u>(10,890)</u>	<u>-</u>	<u>-</u>
Balance brought forward	246,324	629,666	2,491,772	4,713
Balance carried forward	291,718	618,776	2,491,772	4,713

WESTERN SWIMMING POOL BOARD

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

	General revenue reserve £	Capital adjustment account £	Revaluation reserve £	Reserve Fund £
Total comprehensive income and expenditure	37,673	-	-	-
Depreciation and impairment of fixed assets	127,769	(127,769)	-	-
Loan fund principal repayments	(89,758)	89,758	-	-
Release of deferred income	(25,361)	25,361	-	-
	<u>50,323</u>	<u>(12,650)</u>	<u>-</u>	<u>-</u>
Balance brought forward	196,001	642,316	2,491,772	4,713
Balance carried forward	<u>246,324</u>	<u>629,666</u>	<u>2,491,772</u>	<u>4,713</u>

WESTERN SWIMMING POOL BOARD

Balance Sheet

as at 31 March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Land and buildings	1,2	4,027,500		4,112,500	
Plant & equipment	1	129,537		133,489	
Minor equipment	1	44,583		43,764	
Fixtures and fittings	1	1,797		7,124	
			<u>4,203,417</u>		<u>4,296,877</u>
Current assets					
Debtors	3	43,300		43,529	
Cash at bank		380,807		329,184	
Stocks		8,085		7,500	
		<u>432,192</u>		<u>380,213</u>	
Current liabilities					
Short-term borrowing	5	(89,758)		(89,758)	
Creditors	4	(168,147)		(150,657)	
		<u>(257,905)</u>		<u>(240,415)</u>	
Net current assets					
			<u>174,287</u>		<u>139,798</u>
Long-term liabilities					
Long-term borrowing	5	(838,990)		(928,749)	
Deferred income	4	(131,735)		(135,451)	
Total assets less liabilities					
			<u><u>3,406,979</u></u>		<u><u>3,372,475</u></u>
Financed by:					
Capital adjustment account			618,776		629,666
General revenue reserve			291,718		246,324
Revaluation reserve			2,491,772		2,491,772
Reserve fund			4,713		4,713
			<u><u>3,406,979</u></u>		<u><u>3,372,475</u></u>

The financial statements were approved by the Authority on 21/12/23 and were signed on their behalf by:

Chairman

F. Moore

Responsible Finance Officer

A. King

WESTERN SWIMMING POOL BOARD

Cash Flow Statement

for the year ended 31 March 2023

	<i>Note</i>	2023 £	2022 £
Net surplus on provision of services		34,504	37,673
Adjustment to net surplus on provision of services for non- cash movements	8	114,816	146,373
Adjustments for items included in net surplus on provision of services that are investing and financing activities	10	(1,883)	(81)
		<hr/>	<hr/>
Net cash flows from operating activities		147,437	183,965
Net cash flows from investing activities	9	(35,793)	(44,917)
Net cash flows from financing activities	10	1,133	81
		<hr/>	<hr/>
Net increase in cash and cash equivalents		112,777	139,129
Cash & cash equivalents at the beginning of the reporting period		329,184	279,815
Non – cash movements		(61,154)	(89,760)
		<hr/>	<hr/>
Cash & cash equivalents at the end of the reporting period		380,807	329,184

Non – cash movements relate to notional cash movement in the government grant receipt and loan expenditure.

WESTERN SWIMMING POOL BOARD

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' ('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

The Isle of Man Government agreed to underwrite the increase of both the gas and electricity invoices in 2022/2023 against the utility invoices for the same period 2021/2022. This agreement is due to come to an end on 31st March 2023. Government has agreed, verbally for the utility underwrite to continue into 2023/2024. No written agreement has been received. The longer-term decision on funding is expected to be decided after the Tynwald sitting in October.

3. Income

(a) Government deficiency

Government deficiency is accounted for on an accruals basis and represents amounts payable towards the net expenditure incurred from operations of the Pool.

(b) Pool income

Pool income comprises admissions, lessons, retail, and café sales and is shown exclusive of value added tax.

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.

(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.

WESTERN SWIMMING POOL BOARD

Statement of Accounting Policies (continued)

6. Tangible fixed assets (continued)

(a) Recognition (continued)

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

Where expenditure on tangible fixed assets is less than a de minimis level of £1,000 it is not capitalised but is charged to revenue in the year in which 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.

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. The land upon which the swimming pool is sited is included at net realisable value in existing use.

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 (fair value for Surplus assets) 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 (fair value for Surplus assets). All valuations are undertaken by a qualified valuer contracted to the Board.

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.

WESTERN SWIMMING POOL BOARD

Statement of Accounting Policies (continued)

6. Tangible fixed assets (continued)

(d) Impairment (continued)

Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

(e) Depreciation

Depreciation is provided for on all Tangible Fixed Assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (e.g. freehold land and community assets) and assets that are not yet available for use (i.e. assets under construction).

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:

	Years
Land	Not depreciated
Public Swimming Pool	50
Plant & Equipment	10
Minor Equipment	5
Fixtures and Fittings	7

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 a time as they are used to finance other capital expenditure, when they are credited to the Capital Adjustment Account.

WESTERN SWIMMING POOL BOARD

Statement of Accounting Policies (continued)

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.

(a) Revenue Grants

Amounts due to the Board 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 on 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) Government Deficiency

Government grants are accounted for on an accruals basis.

(c) Government Utility Underwrite

Government grants are accounted for on an accruals basis.

9. Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

10. Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

11. Provisions

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

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

WESTERN SWIMMING POOL BOARD

Statement of Accounting Policies (continued)

12. Reserves

Reserves include earmarked reserves set aside for specific policy purposes and balances which represent resources set aside for purposes such as general contingencies and cash flow management.

The Board 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.

Reserve Fund: set up to hold surplus monies to fund repairs in prior years.

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.

WESTERN SWIMMING POOL BOARD

Significant Judgements and Estimates

(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:

- The Board 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 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 calculation of depreciation, however, does not affect the amount to be collected from rate payers.
- 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.

WESTERN SWIMMING POOL BOARD

Notes to the financial statements

for the year ended 31 March 2023

1. Tangible fixed assets

	Public swimming pool	Plant and equipment	Minor Equipment	Fixtures and fittings	Total
	£	£	£	£	£
Cost/valuation					
At 1 April 2022	4,282,500	277,672	112,474	67,033	4,739,679
Additions in the year	-	17,707	18,086	-	35,793
Disposals in the year	-	-	-	-	-
Revaluation	-	-	-	-	-
At 31 March 2023	4,282,500	295,379	130,560	67,033	4,775,472
Depreciation					
At 1 April 2022	170,000	144,183	68,710	59,909	442,802
Charge for year	85,000	21,659	17,267	5,327	129,253
Disposal	-	-	-	-	-
Revaluation	-	-	-	-	-
At 31 March 2023	255,000	165,842	85,977	65,236	572,055
Net Book Value					
At 31 March 2023	4,027,500	129,537	44,583	1,797	4,203,417
At 31 March 2022	4,112,500	133,489	43,764	7,124	4,296,877

Valuation of land and property

There was a valuation undertaken during the year ending 31 March 2020 by Chris Heginbotham, a FRICS qualified Government valuer. The playground has been transferred back to Peel Town Commissioners. The transfer was signed by The Chair of the Western Swimming Pool at the board meeting on Monday 18th September 2023. No adjustment has been made to the site value.

The basis of valuation is set out in the statement of accounting policies, valuations are carried out every five years. The next valuation is due in 2025.

Historical cost of revalued fixed assets

Included within the above are land and property assets with a historical cost of £2,695,577 (2022: £2,695,577).

2. Assets held

Operational assets	Number at 31 March 2022	Net Changes 2022/2023	Number at 31 March
Swimming Pool	1	-	

WESTERN SWIMMING POOL BOARD

Notes to the financial statements (continued)

for the year ended 31 March 2023

3. Debtors and prepayments

	2023	2022
	£	£
Trade debtors	8,202	17,087
Accrued income	18,515	17
Prepayments	16,583	16,660
Amounts owed by Isle of Man Government	-	9,765
	<u>43,300</u>	<u>43,529</u>

4. Creditors

	2023	2022
	£	£
Trade creditors	30,129	20,539
Accruals and sundry creditors	57,325	45,716
Deferred income – group lessons	37,445	35,108
Deferred income – Government grants	30,022	27,256
Deferred income – Annual passes	965	942
Deferred income – Pool hire	125	1,432
VAT	2,855	3,872
PAYE	9,281	15,792
	<u>168,147</u>	<u>150,657</u>
<i>Falling due after more than one year</i>		
Deferred income – Government grants	<u>131,735</u>	<u>135,451</u>

5. Long term borrowing

Loans outstanding may be analysed as follows:

	2023	2022
	£	£
<i>Falling due within one year:</i>		
Isle of Man Government loans	<u>89,758</u>	<u>89,758</u>
<i>Falling due after more than one year:</i>		
Isle of Man Government loans	<u>838,990</u>	<u>928,749</u>

The Government loan is secured on Land and buildings and bears interest at a variable rate set by Treasury based upon the consolidated loans fund.

WESTERN SWIMMING POOL BOARD

Notes to the financial statements (continued)

for the year ended 31 March 2023

6. Employee remuneration

There are no employees whose remuneration, excluding pension contributions, was £50,000 or more during the year (2022: none).

Key management compensation

Key management personnel are those persons having responsibility for advising and assisting the Board in planning, directing and controlling the activities of the Pool. Compensation includes all employee benefits and the amount paid was a total of £121,003 (2022: £120,518).

Members' allowances

During the year the Board paid £nil to current and previous Members in respect of their attendance at meetings and undertaking duties and responsibilities (2022: £nil).

7. Related party transactions

The Board 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 for an arm's length transaction 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. The deficiency grant received is from Central Government to meet any shortfall which is incurred by the Board. The amount of deficiency payment due from Central Government during the current year was £345,000 (2022: £345,000) with nil (2022: £nil) outstanding at 31 March 2023. The Board received grants from the Isle of Man Government to acquire assets during the year of £27,654 (2022: £12,244). The Board received payment from the Government of nil (2022: £nil) for maintenance works performed on the building. In addition, the Government made interest payments on behalf of the Board totaling £72,462 (2022: £56,270) towards interest on loans provided by the Government to the Board and paid contributions of £89,758 (2022: £89,758) in respect of capital repayments against the loans.

The Board paid net VAT to Treasury of £20,011 (2022: £8,205) and provided or purchased services during the year of £65,567 (2022: £36,049).

Salary support was applied for and received from the Treasury for periods of closure due to the COVID 19 pandemic. Salary support of £nil (2022: £15,048) was received for the financial year.

There were no other material transactions with Central Government.

The member local authorities contribute to the upkeep and maintenance of the pool. During the year £24,785 (2022: £24,435) was received from these. During the year transactions of £1,046 (2022: £2,064) for the provision of refuse disposal and acquisition of fixtures and fittings were paid to Peel Town Local Authority. During the year the Board paid expenses of £51,606 (2022: £43,840) to Manx Utilities Authority, a public body, in respect of water and electricity charges.

WESTERN SWIMMING POOL BOARD

Notes to the financial statements (continued)

for the year ended 31 March 2023

7. Related party transactions (continued)

All members and officers of the Board 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 Board – there were no material related party disclosures in relation to officers.

Members of the Board – there were no material related party disclosures in relation to members.

8. 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	129,253	127,769
Release of deferred grant	(28,605)	(25,361)
Loss on disposal	-	2,158
Increase in creditors	13,774	54,925
Decrease/(increase) in debtors	979	(9,323)
(Increase) in stock	(585)	(3,795)
	<u>114,816</u>	<u>146,373</u>

9. Cash flow statement – Investing activities

	2023	2022
	£	£
Purchase of assets (Fixed assets, investment property, intangible assets)	(35,793)	(44,917)
	<u>(35,793)</u>	<u>(44,917)</u>

10. Cash flow statement – Financing activities

	2023	2022
	£	£
Interest received	1,133	81
	<u>1,133</u>	<u>81</u>

WESTERN SWIMMING POOL BOARD

Notes to the financial statements (continued)

for the year ended 31 March 2023

11. Audit/Assurance fees

During 2023/22 the Board incurred the following fees relating to audit/assurance review:

	2022/23	2021/22
	£	£
Fees payable with regard to audit/assurance review	7,521	6,000

12. Capital commitments

No commitments for capital expenditure have been started, or legal contracts entered into as at 31st March 2023.

13. Post Balance sheet event

The transfer of the land that the playground has been built on has now been completed. The conveyance has taken place and the document has been drawn up. The Chair of the Western Swimming Pool Board signed the document at the Board Meeting Monday 18th September 2023.

It has been confirmed by Chris Heginbotham, a FRICS qualified Government valuer, that the area of the playground is approximately 0.13 acres, with a value of £3,250. Due to the land being of immaterial value, no adjustment has been made to the site valuation.

WESTERN SWIMMING POOL BOARD

Reconciliation of Detailed Income and Expenditure Account to Comprehensive Income and Expenditure Statement

for the year ended 31 March 2023

	2023		2022
	£	£	£
Operation of the Pool			
Wages & Salaries	601,119		661,202
Depreciation	129,253		127,769
Release of Government grants	(28,605)		(25,361)
Electricity & Gas	151,222		78,026
Purchases	69,053		71,241
Irrecoverable VAT	36,354		25,133
Repairs & Maintenance	43,224		43,785
Pool expenses	26,600		31,101
Insurance	19,428		15,631
Rates	10,726		11,497
Sundry expenses	83		976
Staff training	10,496		9,564
Cleaning	793		2,703
Lessons expenses	4,739		4,776
Computer tech support costs	7,222		6,475
Legal and professional fees	2,494		6,665
Subscriptions	99		5,665
Printing, postage, stationery & advt.	2,445		1,770
Telephone	2,012		2,579
Refuse collection	1,046		2,064
Assurance fee	7,521		5,925
Loss on disposal	-		2,158
Health and Safety	7,284		7,270
Bank and Merchant	8,508		8,263
Equipment expensed	-		3,884
Software subscriptions	5,276		-
Accountancy fees	3,600		-
Advertising and marketing	424		-
	<u>1,122,416</u>		<u>1,110,761</u>
Admissions, lessons, pool hire	457,634		447,929
Café	164,466		220,780
Other	70,894		20,451
	<u>692,994</u>		<u>689,160</u>
Net cost of services	(429,422)		(421,601)
DCCL contribution of interest payments	77,462		56,270
Government interest payments	(77,462)		(56,270)
Other income	2,500		-
Interest received	1,883		81
	<u>4,383</u>		<u>81</u>
Net operating expenditure	(425,039)		(421,520)

WESTERN SWIMMING POOL BOARD

Reconciliation of Detailed Income and Expenditure Account to Comprehensive Income and Expenditure Statement (continued)

for the year ended 31 March 2023

	2023 £		2022 £
Government deficiency grants received on account	345,000		345,000
DEC contribution of capital repayments	89,758		89,758
Contributions receivable from the Combining Authorities for the year	24,785		24,332
	<u>459,543</u>		<u>459,193</u>
Net surplus for the year		<u>34,504</u>	<u>37,673</u>

This statement does not form part of the audited financial statements.