

# **Castletown Town Commissioners**

## **Financial Statements**

**For the year ended 31 March 2021**

# Castletown Town Commissioners

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# Castletown Town Commissioners

## Members, Officers and Advisers

Castletown Town Commissioners' registered address is:

Town Hall,  
Farrants Way,  
Castletown.  
IM9 1NR

The Commissioners are the local authority for the Town of Castletown. The local authority's primary duties are social housing, waste collection, domestic refuse disposal, commercial refuse disposal, environmental health, routine cyclic highway maintenance operations, car parking management, street lighting, street sweeping, public parks, public amenity areas, public conveniences, public library and byelaw enforcement.

The Commissioners work with the neighbouring authorities in the South of the Island to provide a Southern Recycling Centre, a Southern swimming pool and also have representative members on the Castletown and Malew Elderly persons housing board. These organisations individually prepare and publish their own statement of accounts which are separate to Castletown Town Commissioners.

The Local Authority Board of Castletown Town Commissioners is made up of seven elected representatives. Their term of appointment was due to operate from May 2016 until April 2020, however at the time of writing, owing to the Covid-19 pandemic, the term has been extended by a further 12 months to April 2021.

The Board members for the year ended 31 March 2021 were:

Mr D Parnell (Chairman)  
Mr R McAleer (Deputy Chairman)  
Mr J Cubbon  
Mr J Horton  
Mr J Ludford-Brooks  
Miss C Quine  
Mr C Leather

The Commissioners have appointed four Lead Members to oversee the local authority's major functions. The elected representatives with delegated responsibility for prescribed function areas are:

- Mr McAleer and Mr Parnell are responsible for overseeing the Commissioners' finance, staffing resource and corporate governance matters delegated to the Finance Committee.
- Mr Ludford-Brooks is responsible for overseeing the Commissioners' social housing, planning matters, waste collection, domestic refuse disposal, commercial refuse disposal.
- Miss Quine is responsible for overseeing the Commissioners' library and is the representative for the Southern swimming pool and sheltered housing.
- Mr Leather is responsible for overseeing routine cyclical maintenance operations, car parking management, street lighting, street sweeping, public convenience, and byelaw enforcement delegated to the Works Lead Member.

# Castletown Town Commissioners

## Members, Officers and Advisers – continued

The Commissioners' Town Clerk and Responsible Finance Officer is Mr H F Mackenzie Bsc (Hons) ARSM.

The Commissioners internal auditor is Alexander Elliott and the external auditor is Baker Tilly Isle of Man LLC. Their Registered Addresses are as follows:

Alexander Elliott  
Media House  
Cronkbourne  
Douglas  
IM4 4SB

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

# Castletown Town Commissioners

## Explanatory Foreword

### Introduction

This Statement provides a summary of Castletown Town Commissioners financial performance for the year ended 31 March 2021. Prior to the Covid Pandemic this was scheduled to be the final year of the current Board's four-year term of office and their main objectives were:

- Improve the management of the Commissioners' finances to reduce the impact of inflationary costs on the rate payers of Castletown.
- Promote commercial innovation, events and regeneration to attract investment and visitors to Castletown, in order that it be seen as a desirable place to work, live and visit.
- Improve the town centre environment and facilities on offer to residents, businesses and visitors.

### Significant Developments

Owing to the extended term of the Commissioners, they have not initiated any significant rate borne projects during this financial year.

### Social Housing

During the year the commissioners continued to progress the redevelopment of the School Hill Estate. Work on site commenced with the demolition of phase one properties and adjacent garages which fell within the towns portfolio.

### Pension Liability

The net liability on the Isle of Man Local Government Superannuation Scheme attributable to Castletown Town Commissioners is £1,772,000 (£1,130,000 in 2020).

### Future Strategic Intention

The ongoing delivery of the Board's objectives by:

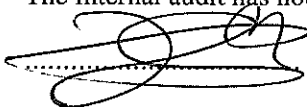
- The development of strategy for the ongoing funding of the towns off street carparks and integration with public transport and active travel solutions.
- The improvement of play facilities in the town.
- Support for private development as identified through the Castletown Housing Land Review

### Events Since Balance Sheet Date

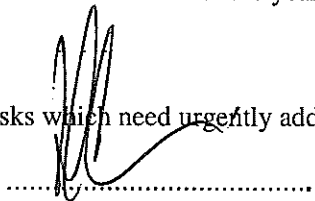
No events are reported which will impact on the accounts for the year ended on 31 March 2021.

### Risks and Uncertainties

The internal audit has not recorded any risks which need urgently addressing by the authority.



Chairman



Town Clerk

(Dated) 11/05/22

# Castletown Town Commissioners

## Statement of Responsibilities for the Statement of Accounts

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

The Authority is required to:

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

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

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

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

- selected suitable accounting policies and then applied them consistently; 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.

# Castletown Town Commissioners

## Report of the Independent Auditor to the Members of Castletown Town Commissioners for the year ended 31 March 2021

### Opinion

We have audited the Statement of Accounts of Castletown Town Commissioners for the year ended 31 March 2021 which comprise the Comprehensive Income and Expenditure Statement, the Statement of Movement on Reserves, the Balance Sheet, the Cash Flow Statement, the Statement of Accounting Policies and the related Notes to the Financial Statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the authority's affairs as at 31 March 2021 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of Accounts and Audit Regulations 2018 made under the Audit Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the authority in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Responsible Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Responsible Financial Officer has not disclosed in the Statement of Accounts any identified material uncertainties that may cast significant doubt about the authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# Castletown Town Commissioners

## Report of the Independent Auditor to the Members of Castletown Town Commissioners for the year ended 31 March 2021 - continued

### **Other information**

The Responsible Financial Officer is responsible for the other information. The other information comprises the information included in this report, other than the Statement of Accounts and our auditors report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Statement of Accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the section 6 of the Audit Act 2006 requires us to report to you if, in our opinion:

- the financial statements do not comply with the regulations made under section 12 of the Act and any directions under section 13; or
- any transaction effected by or on account of the authority is or will be contrary to law; or
- the internal organisation of the authority and the controls maintained by it are not sufficient as to secure proper management of the finances of the authority and economy and efficiency in the use of its resources.

### **Responsibilities of Responsible Financial Officer**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 4, the Responsible Financial Officer is responsible for the preparation of the Statement of Accounts and for being satisfied that they give a true and fair view, and for such internal control as the Responsible Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Responsible Financial Officer is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the authority intends to cease operations, or has no realistic alternative but to do so.



# Castletown Town Commissioners

## Report of the Independent Auditor to the Members of Castletown Town Commissioners for the year ended 31 March 2021 - continued

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also

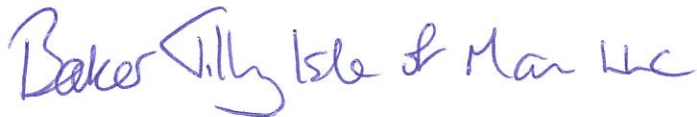
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Responsible Financial Officer.
- Conclude on the appropriateness of the Responsible Financial Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement of Accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement of Accounts, including the disclosures, and whether the Statement of Accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# Castletown Town Commissioners

## Report of the Independent Auditor to the Members of Castletown Town Commissioners for the year ended 31 March 2021 - continued

### Use of our report

This report is made solely to the authority's members, as a body, in accordance with Section 6 of the Audit Act 2006. Our audit work has been undertaken so that we might state to the authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the authority and the authority's members as a body, for our audit work, for this report, or for the opinions we have formed.



### **Baker Tilly Isle of Man LLC**

Chartered Accountants

PO Box 95

2a Lord Street

Douglas

Isle of Man

IM99 1HP

Date: 15 March 2022.

# Castletown Town Commissioners

## Statement of Internal Control

### Introduction

Regulation 6 of the Accounts and Audit Regulations 2018 requires the Authority to conduct a review at least once a year of the effectiveness of its systems of internal control and include a statement on internal control within the Authority's statement of accounts.

This statement is made by the Castletown Town Commissioners to the Isle of Man Government Treasury in accordance with the requirements of the Isle of Man Government's Corporate Governance Principles and Code of Conduct ("the Code").

### Responsibilities of the Authority and the Responsible Financial Officer

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

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

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

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

### Internal control and corporate governance environment

The Authority's systems of internal control and corporate governance have been developed through an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The following are considered to be key aspects of the internal control and corporate governance environment:

- ***Authority's corporate governance framework***  
A corporate governance framework has been developed which documents the Authority's policies and procedures in relation to community focus, performance management, internal control, risk management, delegated Authority, human resources management, standards of conduct and management of Health & Safety and the environment. The framework provides a structure for documenting the legislation, regulations, policies, procedures and other internal controls which, when taken together, form the Authority's internal control and corporate governance environment.
- ***Authority meetings***  
The Authority meets monthly and consists of a Chairman and 6 other Authority members. The Authority receive reports from the Authority's Officers on operational matters and ensure that the work of the Responsible Financial Officer and other senior officers supports the strategy and policy approved by the Authority.

# Castletown Town Commissioners

## Statement of Internal Control (continued)

### Review of internal control and corporate governance environment

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

### Report on internal control and corporate governance environment

Attention is drawn to the fact that systems of internal control and corporate governance are designed to manage rather than eliminate the risk of failure to achieve objectives. They can therefore only provide reasonable and not absolute assurance. Accordingly, reasonable assurance is given that the Authority's internal control and corporate governance arrangements are adequate and operated effectively during the year ended 31 March 2021.

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

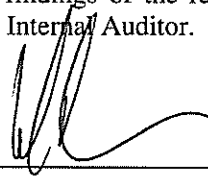
The RFO has met with the Authority to discuss the detailed findings of the report with a view to implementing, where practical, the key recommendations of the Internal Auditor.

(Signed) \_\_\_\_\_



(Chairman)

(Signed) \_\_\_\_\_



(Responsible Finance Officer)

(Dated) 11/03/22

# Castletown Town Commissioners

## Comprehensive Income and Expenditure Statement for the year ended 31 March 2021

	Notes	Expenditure £	Income £	2021 Net £	2020 Net £
Office administration and general expenses		403,030	84,757	318,273	246,132
Miscellaneous properties		13,624	7,604	6,020	8,888
Sanitation		303,948	32,206	271,742	242,305
Plant and works depot		9,184	45	9,139	10,781
Streets and roads		19,416	17,469	1,947	27,049
Amenities, services, library, Town Hall		209,048	530	208,518	224,837
Southern Local Authorities Swimming Pool Board		6,382	-	6,382	6,362
Depreciation charge for the year		115,939	-	115,939	121,553
Net current service cost of pensions	16	21,000	-	21,000	21,000
<b>Net cost of General Fund services</b>		<b>1,101,571</b>	<b>142,611</b>	<b>958,960</b>	<b>908,907</b>
Housing services	8	1,090,876	1,358,871	(267,995)	(311,181)
Housing deficiency receivable		-	-	-	-
<b>Net cost of services</b>		<b>2,192,447</b>	<b>1,501,482</b>	<b>(690,965)</b>	<b>(597,726)</b>
Income from the General Rate Fund	6/7			943,185	926,460
Interest receivable and other income				101	2,177
Interest payable and similar charges				(165,833)	(181,488)
Net pension interest cost	16			(26,000)	(23,000)
<b>Surplus on provision of services</b>				<b>60,488</b>	<b>126,423</b>
<b>Other Comprehensive Income and Expenditure</b>					
Revaluation gain	1			6,074,893	-
Remeasurement of net pension liability	16			(595,000)	(92,000)
<b>Total comprehensive income and expenditure</b>				<b>5,540,381</b>	<b>34,423</b>

## Castletown Town Commissioners

### Statement of Movement on Reserves

for the year ended 31 March 2021

<i>Notes</i>	General revenue reserve £	Capital adjustment account £	Revaluation reserve £	Capital receipts reserve £	Housing Revenue reserve £	Housing maintenance reserve £	Pensions Reserve £
<b>Total comprehensive income and expenditure</b>	60,488	-	6,074,893	-	-	-	(595,000)
Depreciation and impairment of fixed assets	115,939	(381,189)	(382,105)	-	647,355	-	-
Release of deferred income	(4,500)	4,500	-	-	-	-	-
Net charges made for retirement benefits	47,000	-	-	-	-	-	(47,000)
Loan fund principal repayments	(61,491)	502,225	-	-	(440,734)	-	-
Hire purchase principal repayments	(6,637)	6,637	-	-	-	-	-
Fixed assets financed from General Fund	(19,599)	19,599	-	-	-	-	-
Fixed assets financed from Housing Revenue reserve	-	174,065	-	-	(174,065)	-	-
Transfer to/from Housing Revenue Reserve Account	(115,804)	-	-	-	115,804	-	-
Transfer to/from Housing Maintenance Reserve Account	-	-	-	-	13,727	(13,727)	-
Transfer between reserves	-	1,457,871	(1,457,871)	-	-	-	-
	<u>15,396</u>	<u>1,783,708</u>	<u>4,234,917</u>	<u>-</u>	<u>162,087</u>	<u>(13,727)</u>	<u>(642,000)</u>
Balance brought forward	207,569	10,250,655	19,266,895	131,494	1,069,119	128,203	(1,130,000)
<b>Balance carried forward</b>	<u>222,965</u>	<u>12,034,363</u>	<u>23,501,812</u>	<u>131,494</u>	<u>1,231,206</u>	<u>114,476</u>	<u>(1,772,000)</u>

## Castletown Town Commissioners

### Statement of Movement on Reserves

for the year ended 31 March 2020

	Notes	General revenue reserve	Capital adjustment account	Revaluation reserve (restated)	Capital receipts reserve	Housing Revenue reserve	Housing maintenance reserve	Pensions Reserve
		£	£	£	£	£	£	£
Total comprehensive income and expenditure		126,423	-	-	-	-	-	(92,000)
Depreciation and impairment of fixed assets		121,553	(374,109)	(382,104)	-	634,660	-	-
Net charges made for retirement benefits		44,000	-	-	-	-	-	(44,000)
Loan fund principal repayments		(60,017)	461,349	-	-	(401,332)	-	-
Hire purchase principal repayments		(4,148)	4,148	-	-	-	-	-
Fixed assets financed from General Fund		(28,937)	28,937	-	-	-	-	-
Fixed assets financed from Housing Revenue reserve		-	267,425	-	-	(267,425)	-	-
Transfer to/from Housing Revenue Reserve Account		(147,577)	-	-	-	147,577	-	-
Transfer to/from Housing Maintenance Reserve Account		-	-	-	-	138,035	(138,035)	-
		<u>51,297</u>	<u>387,750</u>	<u>(382,104)</u>	<u>-</u>	<u>251,515</u>	<u>(138,035)</u>	<u>(136,000)</u>
Balance brought forward		156,272	9,862,905	19,648,999	131,494	817,604	266,238	(994,000)
Balance carried forward		<u>207,569</u>	<u>10,250,655</u>	<u>19,266,895</u>	<u>131,494</u>	<u>1,069,119</u>	<u>128,203</u>	<u>(1,130,000)</u>

# Castletown Town Commissioners

## Balance Sheet

as at 31 March 2021

	<i>Notes</i>	2021 £	2020 £
<b>Fixed assets</b>			
Tangible fixed assets	<i>1 + 2</i>	40,104,885	33,921,035
<b>Current assets</b>			
Debtors	<i>3</i>	383,097	154,754
Cash at bank and short term investments		1,804,281	1,090,998
		<u>2,187,378</u>	<u>1,245,752</u>
<b>Current liabilities</b>			
Hire Purchase liability		(9,956)	(9,956)
Short-term borrowing	<i>5</i>	(513,411)	(466,059)
Creditors	<i>4</i>	(373,738)	(157,961)
		<u>(897,105)</u>	<u>(633,976)</u>
<b>Net current assets</b>		<u>1,290,273</u>	<u>611,776</u>
<b>Total assets less current liabilities</b>		<u>41,395,158</u>	<u>34,532,811</u>
<b>Long-term liabilities</b>			
Liability relating to defined benefit pension scheme	<i>16</i>	(1,772,000)	(1,130,000)
Deferred income		(139,500)	-
Hire purchase liability		(25,718)	(35,674)
Long-term borrowing	<i>5</i>	(3,993,624)	(3,443,202)
<b>Total assets less liabilities</b>		<u>35,464,316</u>	<u>29,923,935</u>
<b>Financed by:</b>			
Revaluation reserve		23,501,812	19,266,895
General revenue reserve		222,965	207,569
Housing revenue reserve		1,231,206	1,069,119
Housing maintenance reserve		114,476	128,203
Pensions reserve	<i>16</i>	(1,772,000)	(1,130,000)
Usable capital receipts		131,494	131,494
Capital adjustment account		12,034,363	10,250,655
		<u>35,464,316</u>	<u>29,923,935</u>

The financial statements were approved by the Authority on 07/3/22 and were signed on their behalf by:

Chairman



RFO





# Castletown Town Commissioners

## Cash Flow Statement

for the year ended 31 March 2021

	<i>Notes</i>	<b>2021</b> £	2020 £
Net surplus on provision of services		<b>60,488</b>	126,423
Adjustments to net surplus on provision of services for non-cash movements	11	<b>920,852</b>	717,752
Adjustments for items included in net surplus on provision of services that are investing and financing activities		<b>166,228</b>	181,236
Net cash flows from Operating Activities		<b>1,147,568</b>	1,025,411
Net cash flows from Investing Activities	12	<b>(855,875)</b>	(958,743)
Net cash flows from Financing Activities	13	<b>421,590</b>	(546,955)
		<b>(434,285)</b>	(1,505,698)
Net increase/(decrease) in cash and cash equivalents		<b>713,283</b>	(480,287)
Cash & cash equivalents at the beginning of the reporting period		<b>1,090,998</b>	1,571,285
Cash & cash equivalents at the end of the reporting period		<b>1,804,281</b>	1,090,998

# Castletown Town Commissioners

## Statement of Accounting Policies

### **1. Basis of preparation**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' Section 1A ('FRS 102'), and with the Audit Act 2006 and the Accounts and Audit Regulations 2018. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain land and buildings as specified in the accounting policies below.

The financial statements are presented in Sterling (£) to the nearest £.

### **2. Going concern**

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak a World pandemic. The COVID-19 pandemic has not had a significant, immediate impact on the authority's operations but the board is aware that if the current situation becomes prolonged then this may change. The primary impact of the pandemic on the authority is the potential impact on cash flow. However, after reviewing the budget of the authority, the board have a reasonable expectation that the authority has adequate resources to continue in operational existence for the foreseeable future. Therefore, these financial statements have been prepared on a going concern basis.

### **3. Income**

#### **(a) Rates receivable**

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

#### **(b) Rentals**

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

### **4. Accruals of income and expenditure**

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

### **5. Value Added Tax**

Value Added Tax is included in income and expenditure accounts, whether of a capital or revenue nature, only to the extent that it is irrecoverable.

# Castletown Town Commissioners

## Statement of Accounting Policies (Continued)

### **6. Tangible fixed assets**

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

#### **(a) Recognition**

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

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

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

#### **(b) Measurement (Valuation Bases)**

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

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

- Social Housing and all other tangible fixed assets are measured at current value which is determined as the amount that would be paid for the asset in its existing use ("existing use value" – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate.

For non-property assets that have short useful lives or low values (or both) depreciated historical cost basis is used as a proxy for current value.

#### **(c) Revaluation**

A class of assets included in the Balance Sheet at current value may be revalued on a rolling basis provided revaluation of the class of assets is completed within five years.

The valuations are undertaken with sufficient regularity to ensure that their carrying amount is not materially different from current value. All valuations are undertaken by a qualified valuer, using a professional valuer contracted to the authority.

# Castletown Town Commissioners

## Statement of Accounting Policies (Continued)

### **6. Tangible fixed assets - continued**

#### **(c) Revaluation - continued**

Short-life assets, such as vehicles and computer equipment are not revalued but are measured at depreciated historic cost as a proxy for fair value.

Increases in valuation are matched by credits to the Revaluation Reserve to recognise unrealised gains. When assets are subject to revaluation losses they are accounted for as follows:

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

#### **(d) Impairment**

Assets are subject to an annual impairment review at the end of each financial year for evidence of reductions in value. Where indications exist and the reduction is material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

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

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

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

# Castletown Town Commissioners

## Statement of Accounting Policies (Continued)

### 6. Tangible fixed assets - continued

#### (e) Depreciation

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

Depreciation is calculated on a straight-line basis by allocating the cost (or re-valued amount) of the asset over the number of years that the asset is expected to be of useful benefit as follows:

#### Operational assets:

Property and dwellings	40 years
Motor vehicles, plant and equipment	5 years
Office furniture	5 years
Street lighting	15 years

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

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

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

#### (f) Disposals

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

### 7. Cash and cash equivalents

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

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

# Castletown Town Commissioners

## Statement of Accounting Policies (Continued)

### **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 authority are credited to the Comprehensive Income and Expenditure Statement when the conditions attached to the grants or contributions are satisfied. Amounts advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line or non-specific Grant Income.

#### **(b) Capital Grants**

Amounts due as capital grants and contributions are credited to the Comprehensive Income and Expenditure Statement when the conditions attached to their receipt are satisfied. Amounts advanced for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the Comprehensive Income and Expenditure Statement.

Donations and grants toward the cost of capital assets are credited to deferred income, and released over the life of the asset to match the depreciation of the asset to which it relates.

#### **(c) Housing Deficiency**

Housing deficiency is accounted for on an accruals basis and represents an amount due in respect of the shortfall of housing income over housing expenditure in the year in accordance with the housing deficiency scheme operated by the Department of Infrastructure.

### **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.

# Castletown Town Commissioners

## Statement of Accounting Policies (Continued)

### **11. Employee benefits**

The authority provides a range of benefits to employees, including paid holiday arrangements and a defined benefit pension plan.

#### **(a) Short term benefits**

Short term benefits, including holiday pay, are recognised as an expense in the period in which the service is received.

#### **(b) Defined benefit pension plan**

The authority participates in the Local Government Superannuation Scheme administered by Douglas Borough Council in accordance with the Isle of Man Local Government Superannuation Scheme Regulations. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration.

The authority and its employees pay contributions into the scheme and these contributions are calculated at a level intended to balance the pensions liabilities with investment assets. The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the authority's defined benefit obligation at the end of the reporting date less the fair value of the plan assets attributable to the authority's members at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the administering authority engages independent actuaries to calculate the obligation of the authority. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Comprehensive Income and Expenditure Statement. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net pension liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- the increase in pension benefit liability arising from employee service during the period; and
- the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'Finance expense'.

# Castletown Town Commissioners

## Statement of Accounting Policies (Continued)

### 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. Reserves

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

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

**Housing Revenue Reserve:** set up to hold surplus monies received from housing rents less expenditure incurred.

**Housing Maintenance Reserve:** set up to hold surplus monies received from housing repairs allowance over actual expenditure incurred.

**Capital Receipts Reserve:** these are amounts of capital monies received to be used to finance future capital expenditure.

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

**Revaluation Reserve:** representing principally the balance of the surpluses or deficits arising on the periodic revaluation of fixed assets.

**Capital Adjustment Account:** amounts set aside from capital receipts or revenue resources to finance expenditure on fixed assets or for the repayment of external loans and certain other capital financing transactions.

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



# Castletown Town Commissioners

## Significant Judgements and Estimates

### (a) Judgements

In applying the accounting policies set out above the authority has had to make assumptions and form judgements about transactions which are complex in nature and where there is uncertainty about future events. The critical judgements made in the Statement of Accounts are as follows:

- The authority operates a rolling 5 year revaluation programme for assets held on the Balance Sheet at revalued amount. This means that not all assets are revalued formally every year. However a desktop review is undertaken of the assets that were not formally revalued during the year, taking into account factors such as changes to building cost indices since the asset's last revaluation and the impact of revaluations in year for similar assets. As a result it is judged that the potential difference in value that would result from formal revaluation is not material in the context of the overall carrying value of the assets, and therefore the risk of material misstatement to the Balance Sheet is low.
- Property, Plant and Equipment assets are judged to be held for their service potential rather than future resale value and therefore the authority does not allocate residual values to assets when calculating depreciation. This could lead to the potential overstatement of depreciation and the understatement of asset carrying values in the Balance Sheet. The calculation of depreciation, however, does not affect the amount to be collected from Government in terms of deficiency.
- The authority has judged that amounts held on deposit or invested for periods of less than three months are sufficiently liquid as to be classed as cash equivalents. Judgement is also required as to whether the primary purpose of holding such investments is for meeting short term cash commitments (in which case the investment is classified as a cash equivalent) or for investment return (in which case the investment remains classified as a short term investment).

### (b) Estimates

The authority is required to disclose those estimates and assumptions which it has made in the preparation of its accounts for which there is the potential for a material adjustment within the next financial year.

- Pension Liability - The estimation of the net pension liability depends on a number of complex and inter-related actuarial assumptions and judgements, i.e. the rate of inflation, rate of increase in salaries, age of retirement, rate of increase in pensions, mortality rates and expected returns on pension fund assets. A firm of actuaries is engaged to provide expert advice about the assumptions to be applied. As a result there is inevitably some uncertainty concerning the value of the net pension liability in the financial statements. Changes in the assumptions can give rise to major changes in the liability within the year and across years, i.e. actuarial gains and losses.

# Castletown Town Commissioners

## Notes to the financial statements for the year ended 31 March 2021

### 1. Tangible fixed assets

	Land and Buildings	Street Lighting	Office Furniture	Vehicles, Plant and Equipment	Total
Cost/Value	£	£	£	£	£
At 1 April 2020	35,680,130	359,676	52,663	325,960	36,418,429
Additions in the year	485,175	9,134	-	-	494,309
Disposals in the year	-	-	-	(3,500)	(3,500)
Revaluation	2,810,967	-	-	-	2,810,967
At 31 March 2021	<u>38,976,272</u>	<u>368,810</u>	<u>52,663</u>	<u>322,460</u>	<u>39,720,205</u>
Depreciation					
As at 1 April 2020	2,552,197	224,184	39,259	258,062	3,073,702
Charge for the year	711,730	24,587	4,307	22,671	763,295
Disposals in the year	-	-	-	(3,500)	(3,500)
Eliminated on revaluation	(3,263,927)	-	-	-	(3,263,927)
At 31 March 2021	<u>-</u>	<u>248,771</u>	<u>43,566</u>	<u>277,233</u>	<u>569,570</u>
Net book value					
At 31 March 2021	<u>38,976,272</u>	<u>120,039</u>	<u>9,097</u>	<u>45,227</u>	<u>39,150,635</u>
At 31 March 2020	<u>33,127,933</u>	<u>135,492</u>	<u>13,404</u>	<u>67,898</u>	<u>33,344,727</u>

### Assets under construction

Cost	£
At 1 April 2020	576,308
Additions	377,942
As at 31 March 2021	<u>954,250</u>

### Valuation of fixed assets

The Authority plans to revalue its fixed assets every five years. Valuations have been carried out by Black Grace Cowley Limited at 31 March 2021.

### Historical cost of revalued fixed assets – Land and Buildings

Included within the above are assets with a historical cost of £12,155,190 (2020: £11,670,015).

# Castletown Town Commissioners

## Notes to the financial statements (Continued)

for the year ended 31 March 2021

### 2. Assets held

Operational assets	Number at 31 March 2020	Changes 2020/21	Number at 31 March 2021
Dwellings	258	-	258
Car parks	5	-	5
Depots	2	-	2
Public Conveniences	1	-	1
Public Halls / offices	1	-	1
Vehicles, Plant and Equipment			
Vehicles	9	-	9
Community Assets			
Parks, gardens and open spaces	1	-	1
Non-Operational assets			
Recreational Properties	1	-	1
Garages (general fund)	32	-	32

### 3. Debtors

	2021 £	2020 £
Amounts falling due in one year (net of bad debt provisions):		
Trade debtors	11,979	15,248
Central Government	-	180
Ratepayers	21,785	18,695
Housing rents	51,484	21,038
Prepayments	186,426	23,447
Sundry debtors	58,371	19,522
VAT	53,052	56,624
	<u>383,097</u>	<u>154,754</u>

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

	2021 £	2020 £
Trade debtors	10,695	4,029
Ratepayers	29,051	18,249
	<u>39,746</u>	<u>22,278</u>

# Castletown Town Commissioners

## Notes to the financial statements (Continued) for the year ended 31 March 2021

### 4. Creditors

Current liabilities:	2021	2020
	£	£
Housing rents	10,317	6,137
Trade creditors	207,773	29,843
Central Government	10,700	-
Sundry creditors and accruals	144,948	121,981
	<u>373,738</u>	<u>157,961</u>

### 5. Long term borrowing

Loans outstanding may be analysed as follows:

	2021	2020
	£	£
Falling due within one year:		
Commercial loans	<u>513,411</u>	<u>466,059</u>
Falling due after more than one year:		
Commercial loans	<u>3,993,624</u>	<u>3,443,202</u>
Total loan term borrowing	<u>4,507,035</u>	<u>3,909,261</u>

In prior years the authority has taken out Isle of Man Bank loan finance to fund long term capital projects. Each of these loans is unsecured, repayable in instalments over a period of between 15 and 30 years. The interest charged on these loans varies between 4.95% and 5.60% on fixed term loans and at LIBOR plus 0.65% on variable rate loans.

In more recent years and for the foreseeable future, loans will be provided by HSBC Bank via variable rate loans.

Loans with HSBC Bank are repayable over between 15 and 30 years with interest charged at 0.95% above LIBOR.

Such loans have been sanctioned on a loan by loan basis by both Treasury and the Department of Infrastructure and/or the Department of Health and Social Care and are secured by way of a Letter of Comfort issued by Treasury.

# Castletown Town Commissioners

## Notes to the financial statements (Continued) for the year ended 31 March 2021

### 6. General Rate Account

	£	2021 £	£	2020 £
General rates levied for the year		760,895		740,907
Add:				
Due from Treasury re prior year	15,177		13,773	
Arrears brought forward	18,366	33,543	23,435	37,208
		<u>794,438</u>		<u>778,115</u>
Less:				
Discounts	(28,930)		(28,950)	
Exempt and uninhabitable properties	(15,450)		(13,369)	
Collection charges	(7,516)		(7,501)	
		<u>(51,896)</u>		<u>(49,820)</u>
Treasury write back/(off)		132		939
Total rates collectable		<u>742,674</u>		<u>729,234</u>
Rates received in the year:				
Current year rates	677,665		812,146	
Arrears collected	7,921		13,272	
Balance from Treasury re prior year	15,176		13,773	
Total rates received in the year		<u>700,762</u>		<u>839,191</u>
Balances outstanding carried forward:				
Due (to)/from Treasury re current year	13,269		(128,323)	
Arrears – current year	18,066		7,263	
– previous years	10,577		11,103	
		<u>41,912</u>		<u>(109,957)</u>
		<u>742,674</u>		<u>729,234</u>
			2021	2020
			£	£
General rates levied for the year		760,895	760,895	740,907
Less: Discounts, exempt/uninhabitable properties & refunds		(44,379)	(44,379)	(42,319)
Per Comprehensive Income and Expenditure Statement		<u>716,516</u>	<u>716,516</u>	<u>698,588</u>

# Castletown Town Commissioners

## Notes to the financial statements (Continued) for the year ended 31 March 2021

### 7. Refuse Rate Account

	£	2021 £	£	2020 £
General rates levied for the year		237,240		238,275
Add:				
Due from Treasury re prior year	1,136		-	
Arrears brought forward	2,265	3,401	-	-
		<hr/>		<hr/>
Less:		240,641		238,275
Discounts	(9,292)		(9,383)	
Exempt and uninhabitable properties	(1,279)		(1,020)	
Collection charges	(2,374)		(2,392)	
		<hr/>	<hr/>	
		(12,945)		(12,795)
Treasury write back/(off)		-		-
		<hr/>		<hr/>
Total rates collectable		<u>227,696</u>		<u>225,480</u>
Rates received in the year:				
Current year rates	216,341		268,477	
Arrears collected	1,295		-	
Balance from Treasury re prior year	1,136		-	
		<hr/>	<hr/>	<hr/>
Total rates received in the year		218,772		268,477
Balances outstanding carried forward:				
Due (to)/from Treasury re current year	2,681		(45,262)	
Arrears – current year	5,272		2,265	
– previous years	971		-	
		<hr/>	<hr/>	
		8,924		(42,997)
		<hr/>		<hr/>
		<u>227,696</u>		<u>225,480</u>
		<hr/>		<hr/>
			2021	2020
			£	£
General rates levied for the year			237,240	238,275
Less: Discounts, exempt/uninhabitable properties & refunds			(10,571)	(10,403)
			<hr/>	<hr/>
Per Comprehensive Income and Expenditure Statement			<u>226,669</u>	<u>227,872</u>

# Castletown Town Commissioners

## Notes to the financial statements (Continued)

for the year ended 31 March 2021

### 8. Housing Revenue Income and Expenditure

	2021	2020
	£	£
Income		
Dwelling rents (including rates)	1,358,871	1,434,853
Housing Deficiency Receivable	-	-
	<u>                    </u>	<u>                    </u>
Total income		
Expenditure		
Repairs and maintenance	125,509	170,410
Administration allowance	67,713	71,194
Rates	227,124	222,306
Depreciation & impairment charges	647,355	634,660
Legal costs	3,138	6,082
Insurance and computer costs	20,037	19,020
	<u>                    </u>	<u>                    </u>
	<b>(1,090,876)</b>	<b>(1,123,672)</b>
	<u>                    </u>	<u>                    </u>
Net cost of Housing Services before interest and loan repayments	<u><b>267,995</b></u>	<u><b>311,181</b></u>

#### Dwelling rent income

Dwelling rent income is the total rent due for the year after voids, write-offs, refunds etc. Voids represent 6.36% of the rental debit for the year (2020: 3.94%).

<b>Rent arrears</b>	<b>2021</b>	<b>2020</b>
	£	£
Rent arrears	51,484	21,038
Rent arrears as a percentage of gross rent income	3.83%	1.39%
	<u>                    </u>	<u>                    </u>

Arrears written off during the year amounted to £Nil (2020: £Nil) and no provision for bad and doubtful rental debts was made at 31 March 2020 or 31 March 2021.

#### Housing deficiency grant

No housing deficiency grant was paid from central government as there was no shortfall incurred by the Authority.

# Castletown Town Commissioners

## Notes to the financial statements (Continued)

for the year ended 31 March 2021

### 9. Employee remuneration

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

	2021	2020
	Number of	Number of
	Employees	Employees
Remuneration Band		
£50,000 – £74,999	1	2

### Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the authority. Compensation paid to Key personnel totalled £85,927 (2020: £71,489).

### Members' allowances

During the year the Authority paid £1,520 to its members in respect of their attendance at meetings, undertaking duties and responsibilities (2020: £4,310).

### 10. Related party transactions

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central Government - has a direct influence over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates.

During the year, Castletown Town Commissioners paid £6,382 (2020: £6,362) in respect of Swimming Pool Contributions to the Southern Local Authorities Swimming Pool Board. They paid £71,924 (2020: £52,536) in respect of refuse expenses to the Southern Civic Amenity Site Board and in addition, paid £138,728 (2020: £135,223) in respect of refuse disposal costs to Douglas Borough Council.

During the year, Castletown Town Commissioners paid £36,512 (2020: £37,198) to Manx Utilities Authority in respect of street lighting costs and electricity charges. They also spent £9,134 in respect of capital additions to infrastructure (2020: £7,754).

All Commissioners and officers of the Authority are asked to complete a disclosure statement in respect of themselves and their family members/close relatives, detailing any material transactions with related parties. Officers of the Authority - no related party disclosures arose in relation to officers



# Castletown Town Commissioners

## Notes to the financial statements (Continued)

for the year ended 31 March 2021

### 11. Cash flow statement – Operating activities

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

	2021	2020
	£	£
Depreciation, impairment & revaluation losses for non-current assets	763,295	756,213
Increase in creditors	338,900	22,902
(Increase) in debtors	(228,343)	(105,363)
Difference between FRS102 pension cost and contributions paid	47,000	44,000
	<u>920,852</u>	<u>717,752</u>

### 12. Cash flow statement – Investing activities

	2021	2020
	£	£
Purchase of assets (Fixed assets, investment property, intangible assets)	<u>(855,875)</u>	<u>(958,743)</u>

### 13. Cash flow statement – Financing activities

	2021	2020
	£	£
Loan financing	1,100,000	50,000
Hire purchase financing	(9,956)	59,815
Repayments of short-term and long-term borrowing	(502,226)	(461,349)
Bank interest received	101	2,177
Loan interest paid	(164,952)	(183,413)
Hire purchase interest paid	(1,377)	(14,185)
	<u>421,590</u>	<u>(546,955)</u>

### 14. Audit fees

During the year the Authority incurred external audit fees of £8,000 (2020: £8,972).

### 15. Total rateable value

The total rateable value of the Town at 31 March 2021 is £258,383 (2020: £254,836) at the year end with a 304p rate being charged (2020: 298p). In addition a fixed charge of £145 was levied per household in respect of refuse (2020: £135).

# Castletown Town Commissioners

## Notes to the financial statements (Continued)

for the year ended 31 March 2021

### 16. Post employment benefits

The authority operates a defined benefit pension scheme with assets held in a separately administered fund. The scheme provides retirement benefits on the basis of members' final salary. The plan is administered by Douglas Borough Council as the Administering Authority. The authority has committed to a funding plan with the Administering Authority, whereby ordinary contributions are made into the scheme based on a percentage of active employees' salary. Additional contributions are agreed with the Administering Authority to reduce the funding deficit where necessary.

A comprehensive actuarial valuation of the Local Government Superannuation Scheme, using the projected unit credit method, was carried out at 31 March 2021 by independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

	31 March 2021	31 March 2020
Rate of increase in salaries	3.60%	2.70%
Rate of increase in pensions	2.80%	1.90%
Rate for discounting scheme liabilities	2.00%	2.35%

The assets in the Isle of Man Local Government Superannuation Scheme are valued at fair value, principally market value for investments, and the asset categories are shown in the Isle of Man Local Government Superannuation Scheme Accounts.

The mortality assumptions used were as follows:

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

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Net liability
	£	£	£
At 1 April 2020	2,839,000	(3,969,000)	(1,130,000)
Benefits paid	(292,000)	292,000	-
Plan participants contributions	17,000	(17,000)	-
Employer contributions	69,000	-	69,000
Current service cost	(8,000)	(82,000)	(90,000)
Interest income/(expense)	64,000	(90,000)	(26,000)
Remeasurement gains/(losses)			
• Actuarial losses	-	(1,004,000)	(1,004,000)
• Return on plan assets excluding interest income	409,000	-	409,000
At 31 March 2021	<u>3,098,000</u>	<u>(4,870,000)</u>	<u>(1,772,000)</u>

# Castletown Town Commissioners

## Notes to the financial statements (Continued) for the year ended 31 March 2021

### 16. Post employment benefits

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

	2021	2020
	£	£
Current service cost	21,000	21,000
Interest cost	26,000	23,000
	<u>47,000</u>	<u>44,000</u>

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

	2021	2020
	%	%
Equity instruments	54	46
Bonds	32	37
Property	14	16
Cash	-	1

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

	2021	2020
	£	£
Interest income	64,000	62,000
Return on plan assets less interest income	409,000	(191,000)
	<u>473,000</u>	<u>(129,000)</u>

### 17. Capital commitments

There were no capital commitments at 31 March 2020.

As at 31 March 2021, the Commissioners were committed to spending £5,707,640 on Social Housing redevelopment.

# Castletown Town Commissioners

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

Summary of account	£	2021 £	£	2020 £
Rates account		943,185		926,460
Miscellaneous properties		(6,020)		(8,888)
Bank interest		101		2,177
		<u>937,266</u>		<u>919,749</u>
Less:				
Office administration and general expenses	318,273		246,132	
Sanitation	271,742		242,305	
Plant and works depot	9,139		10,781	
Street and roads	1,947		27,049	
Amenities, services, library, Town Hall etc	208,518		224,837	
Southern Local Authorities Swimming Pool Board	6,382		6,362	
Revenue contribution to assets	19,599		28,937	
Capital repayments	68,128		64,165	
Loan and HP interest	13,642		17,884	
Release of deferred income	4,500		-	
		<u>(921,870)</u>		<u>(868,452)</u>
Surplus for the year		15,396		51,297
Add: Accumulated surplus brought forward		207,569		156,272
<b>Balance carried forward</b>		<u><u>222,965</u></u>		<u><u>207,569</u></u>

This page does not form part of the audited financial statements

# Castletown Town Commissioners

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

	£	2021 £	£	2020 £
<b>Miscellaneous properties</b>				
Rents and rates including garages	7,233		17,857	
Wayleaves	371		2,127	
			<u>          </u>	
		<b>7,604</b>		19,984
<i>Less: expenses</i>				
Repairs, wages	11,430		25,943	
Rates	2,194		2,123	
Insurance	-		806	
			<u>          </u>	
		<b>(13,624)</b>		<u>(28,872)</u>
		<u><b>(6,020)</b></u>		<u>(8,888)</u>
<b>Other income</b>				
Bank Interest		<b>101</b>		<u>2,177</u>
<b>Office administration and general office expenses</b>				
Salaries, office wages, NIC etc	186,389		236,962	
Ratebourne wages costs	97,506		-	
Registry	597		3,261	
Telephone	8,051		6,839	
Contract staff	17,519		-	
Audit fees	7,130		8,972	
Professional fees	23,136		32,849	
Printing and stationery	2,075		2,777	
Postage	214		393	
Computer charges	6,399		11,272	
Bank charges	4,178		4,611	
Insurance	18,619		5,294	
Sundries	1,570		16,601	
Rates collection charges	9,891		9,893	
Rates bad debts provision	11,570		595	
Commissioners allowances	1,520		4,310	
Bad debts – movement in provision	6,666		(2,125)	
			<u>          </u>	
		<b>403,030</b>		342,504
<i>Less: income</i>				
Housing revenue administration charge	67,713		71,194	
Rates surfeit			3,808	
Miscellaneous	17,044		21,370	
			<u>          </u>	
		<b>(84,757)</b>		<u>(96,372)</u>
		<u><b>318,273</b></u>		<u>246,132</u>

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# Castletown Town Commissioners

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

	£	2021 £	£	2020 £
<b>Sanitation</b>				
Refuse collection – wages & sundries	292,884		280,772	
Maintenance of public conveniences	<u>11,064</u>		<u>4,722</u>	
		<b>303,948</b>		285,494
<i>Less receipts:</i>				
Collection of trade refuse		<u>(32,206)</u>		<u>(43,189)</u>
		<b><u>271,742</u></b>		<b><u>242,305</u></b>
<b>Plant and works depots</b>				
Repair, maintenance and running expenses		<b>9,184</b>		10,781
<i>Less: income</i>				
Plant and works costs recovered		<u>(45)</u>		<u>-</u>
		<b><u>9,139</u></b>		<b><u>10,781</u></b>
<b>Street and roads</b>				
Car parks	518		1,304	
Street cleaning – costs and wages	<u>18,898</u>		<u>44,643</u>	
		<b>19,416</b>		45,947
<i>Less: income</i>				
Car parking spaces	<u>17,469</u>		<u>18,898</u>	
		<b><u>(17,469)</u></b>		<b><u>(18,898)</u></b>
		<b><u>1,947</u></b>		<b><u>27,049</u></b>

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# Castletown Town Commissioners

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

	£	2021 £	£	2020 £
<b>Amenities, services, library, Town Hall etc</b>				
<b>Bowling green and tennis courts</b>				
Wages, NHI and sundry costs	9,545		12,747	
<i>Less: income</i>				
Bowls and tennis receipts	(210)		(5,500)	
		9,335		7,247
<b>Public Library</b>				
Wages, NHI, books and sundry costs	29,805		32,428	
<i>Less: income</i>				
Subscriptions and miscellaneous sales	(320)		(29)	
		29,485		32,399
<b>Civic Centre</b>				
Wages, NHI and sundry costs	43,414		45,881	
<i>Less: income</i>				
Hire of rooms	-		(6,453)	
		43,414		39,428
<b>Parks</b>				
Wages, NHI and sundry costs		71,576		87,748
<b>Public Lighting</b>				
Street lighting		36,512		37,719
<b>Public Seats</b>				
Repairs, maintenance and provision of new seats		-		988
<b>Publicity, public ceremonials, etc</b>		18,196		19,308
		<u>208,518</u>		<u>224,837</u>
<b>Southern Local Authorities Swimming Pool Board</b>				
Contribution towards deficiency		<u>6,382</u>		<u>6,362</u>

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