

The Parish Commissioners of Braddan

Statement of Accounts

For the year ended 31 March 2021

The Parish Commissioners of Braddan

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The Parish Commissioners of Braddan

Members, Officers and Advisors

Members

Braddan Parish Commissioners are a Local Authority in the east of the Isle of Man. The Parish forms part of the Sheading of Middle. The Authority operates from the Commissioner's Office, Close Corran, Union Mills, Braddan IM4 4LZ. The Board consists of 5 elected members.

The members, their roles and responsibilities are:

Mr A.C.R. Jessopp Chairman;
Richmond Hill Consultative Committee Representative.

Miss C.V. Corkill Vice Chairman.

Mr D. Dentith Eastern Civic Amenity Site Representative.

Mr N.M. Mellon Isle of Man Municipal Association Representative;
Braddan Endowment Fund Representative.

Mr J. Quaye

The Board are responsible for implementing and maintaining systems of internal control and corporate governance and the methods by which this is achieved are laid out in the Statement of Internal Control on pages 11 to 13 of these statements of accounts.

Due to the COVID-19 lockdown, the Local election due to be held in April 2020 were postponed to April 2021, and subsequently further delayed till July 2021. The election was uncontested. Miss C. Corkill and Mr D. Dentith stood down from the Board and Mr A. Morgan and Mr P. Scott were elected to take their seats with effect from 1st August 2021.

Officers

The daily management of the Authority is undertaken by the following staff:

Mr J.C. Whiteway MBA Clerk

Miss M.J. Radcliffe Deputy Clerk and Finance Officer

Mrs E.T. Beattie Housing Officer

Internal Auditors

Our Internal auditors are Evolution Accounting Limited of West Suite, Ragnall House, Peel Road, Douglas, Isle of Man.

External Auditors

Our External auditors are Crowe Isle of Man Audit LLC, 6th Floor, Victory House, Prospect Hill, Douglas, Isle of Man.

The Parish Commissioners of Braddan

Members, Officers and Advisors (continued)

Accountants

Our Accountants are Suntera Accounting and Tax (IOM) Limited of Clinch's House, Lord Street, Douglas, Isle of Man.

The Parish Commissioners of Braddan

Explanatory Foreword

Introduction

The Commissioners vision is to provide the most cost-effective services to the Parish using all the available resources at our disposal. We will consider innovative ways of working and challenging the norms when examining opportunities for improvement. We will actively pursue schemes that will provide amenities to all Parishioners.

Braddan Parish Commissioners exists for the benefit of all the people of the Parish and is accountable to them. The Commissioners and staff will provide the highest possible standards of service to the people of Braddan which we believe they are entitled to. We strive to obtain value for money by utilising our resources and capabilities effectively, efficiently and economically. We will meet our statutory duties and responsibilities, and all targets set by central government.

Overall Financial Performance

The 2020-21 financial year started with a balance of £1,002,821 held in our general revenue fund and £55,475 in the housing repairs reserve. The general revenue reserve has increased in the year to £1,008,407. The housing repairs reserve has reduced to £52,752.

Our Parish Rate increased to 203p in the £ (2020: 201p in the £). The Parish Rate Book has grown in the year by the addition of 5 new properties, which together with other extensions and alterations resulted in the rateable value of the Parish increasing by £2,485. Allowances of £17,728 (2020: £16,018) were granted to 15 separate charities under Section 74 of the Rating Act. Rate arrears at the year end amounted to £6,505 (2020: £2,499) which arise from 18 properties (2020: 10). We are continuing to vigorously pursue the recovery of the outstanding balances.

Significant achievements during the year

Our work this year has been significantly hampered by the pandemic.

Works on the development at Mullen Doway to construct 30 units (24 two-bedroom and 6 one-bedroom units) has been significantly delayed, completion is now due in September 2021. The development was estimated to cost £4,469,030. The asset value of this development has been included in Note 1 as Assets Under Construction. The Capital Commitment costs of the project are included at Note 17.

In December 2020 the Department of Infrastructure granted borrowing approval totalling £6,524,383 for the construction of a community leisure centre at Strang Corner Field. We have accepted the tender from Cedar Developments Limited, however works will not commence until May 2021.

We have terminated the lease on the properties at Cronkbourne Village, having transferred the final tenants to new homes within our existing stock in January 2021. We have had 17 void properties in the year (11.2%) 14 of which were relet in the year, 6 were allocated from the Eastern Shared Housing Waiting List, 5 were internal transfers, and 3 mutual exchanges. In addition to this there were 3 external transfers.

We continue to work towards introducing the 5-year tenancies to all our tenants, at the year end 42% of our tenants are on the new tenancy agreement.

The Parish Commissioners of Braddan

Explanatory Foreword (continued)

In April 2020 we entered into a Refuse Collection contract with Kinrade Bros Haulage Limited, who have provided an impeccable service, which has resulted in a notable reduction in complaints raised. We have also created a fortnightly green waste service throughout the summer months in an attempt to reduce the weight of waste being disposed of in the wheelie bins. Unfortunately, the pandemic lockdowns have had a significant impact on the weight of waste disposed of by domestic properties. This year we have seen an increase of 170 tonnes more disposed of than the prior year. This is partly due to the suspension of the Kerbside Recycling service, but also the closure of the Household Waste Recycling Centres.

In April 2020 we entered into a kerbside recycling collection contract with Douglas Borough Council, this allowed the introduction of brown cardboard collection. Unfortunately, the suspension of the service throughout the lockdowns has significantly impacted the amount of waste collected in the year and resulted in just 4% of household waste being recycled (2020: 7%). We expanded our trolley recycling system by issuing an additional 200 trolleys to households who had expressed an interest in trialling the new system.

We have employed an additional member of staff in the year, in an administration assistant position, to cover reception duties and assist with the administration of housing tasks. This resulted in the refurbishment of reception area, to provide a secure working area compliant with covid safe guidelines, and enabled us to relocate another member of staff to the front office to create an interview room.

In the autumn of 2020, we appealed for volunteers and community groups to plant grassed areas with spring flowering bulbs, and were delighted with the response. Areas at Cronk Grianagh Park, the Roundabouts on Braddan Road, Braddan School, Ballafletcher Farm Road and the Isle of Man Business Park were planted by various groups and businesses, and the resulting flowers provided a cheerful display in the spring.

We are conscious that the acoustics in the Memorial Hall limit its available uses, and have been working on various projects to address the problem. In late 2020 we installed some acoustic clouds in the ceiling of the hall, which have assisted with the sound reverberation, but further works are planned to install curtains to further assist.

We have carried out works at Cronk Grianagh Park to refurbish the BMX track surface and paths and erected replacement fencing from the Heritage Trail to the lower park entrance.

Issues that are likely to shape future performance

The delays on the Mullen Doway development caused by various design issues, and the COVID-19 lockdowns will have an impact on the cost of the project, and have caused further delays in the completion, which is now estimated to be September 2021. The projected increase in cost currently stands at £300,000. Completion of these properties will increase our housing stock by 19% from 151 to 181. Allocation of these units will result in a number of transfers from our existing housing stock.

Progress for the development of a Community Centre at Strang Corner Field is ongoing. The site was formally handed to the developer on 17th May 2021 for construction works to commence. Supplies of construction material is proving problematic due to the pandemic and some costs are already impacted by this.

The approval of the Area Plan for the East will have an impact on development in the parish in the next 5 years, but we're currently waiting to see what that will be.

We're currently working with our partners in the Eastern Civic Amenity Site Committee to develop a replacement Household Waste Recycling Centre on land at Middle Farm. This will vastly improve the facility making it more accessible and enabling more waste to be disposed of correctly.

The Parish Commissioners of Braddan

Explanatory Foreword (continued)

We are progressing a number of housing schemes including replacement of the fencing and removal of the decking at Close Y Lhergy; replacement roofs, doors and windows at the Strang; refurbishment of Millennium Close including installation of air source heat pumps; and electrical testing.

The Parish Commissioners of Braddan

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.

The Parish Commissioners of Braddan

Independent auditors report to the members of The Parish Commissioners of Braddan

Opinion

We have audited the statements of accounts The Parish Commissioners of Braddan 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 and notes to the statement of accounts, 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 authority's affairs as at 31 March 2021 and of its profit/loss 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 the Accounts and Audit Regulations 2018 and the relevant provisions of the Audit Act 2006.

Basis of 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 Authority in accordance with the ethical requirements that are relevant to our audit of the statement of accounts in the United Kingdom, 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 statement of accounts, we have concluded that the Responsible Financial Officer's use of the going concern basis of accounting in the preparation of the statement of accounts 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 authority's ability to continue as a going concern for a period of at least twelve months from when the statement of accounts are authorised for issue.

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

Other information

The Responsible Financial Officer is responsible for the other information contained within the annual report. The other information comprises the information included in the Annual 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.

The Parish Commissioners of Braddan

Independent auditors report to the members of The Parish Commissioners of Braddan (continued)

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 this gives rise to a material misstatement in the statement of accounts themselves. 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 in relation to Section 4 of the Audit Act 2006 which requires us to report to you if, in our opinion:

- any transaction effected by or an accounts of the authority is or will be contrary to law; or
- the internal organisation of the authority and the controls maintained by it are not sufficient as to secure proper management of the finances of the local 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 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 determine is necessary to enable the preparation of statement of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the Responsible Financial Officer are 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 either intend to liquidate the authority or to cease operations, or have no realistic alternative but to do so.

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 key laws and regulations affecting the authority and identified the Account and Audit Regulations 2018 and the Audit Act 2006 on the primary legislation affecting the entity. We reviewed board minutes to consider whether any activity in the authority which is required to be disclosed under the legislation as well as designing tests to ensure the statement of accounts included all the necessary disclosures required.

The Parish Commissioners of Braddan

Independent auditors report to the members of The Parish Commissioners of Braddan
(continued)

We considered the opportunities and incentives that may exist within the authority for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income, posting of unusual journals along with complex transactions and manipulating the authority's figures to meet budget. We discussed these risks with Responsible Financial Officer, designed audit procedures to test the timing of commercial revenue, tested a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks.

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.

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.

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 22nd October 2021

The Parish Commissioners of Braddan

Statement on Internal Control

Introduction

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

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

Responsibilities of the Board and the Responsible Financial Officer

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

The Responsible Financial Officer 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 Responsible Financial Officer works with other 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 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:

- **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 and 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.
- **Board meetings**
The Board meets at fortnightly and consists of a chairman and 4 other Board members. The Board 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 Board.

The Parish Commissioners of Braddan

Statement on 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 Board.

Further evidence as to the effectiveness of internal controls and corporate governance arrangements is provided by reports issued during the year by the external and internal auditors.

Report on internal control and corporate governance environment

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

The system on internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Authority. In particular, the system includes:

- Comprehensive budgeting systems;
- Regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts;
- Setting targets to measure financial and other performance;
- The preparation of monthly financial reports which indicate actual expenditure against the forecasts;
- Clearly defined capital expenditure guidelines; and
- As appropriate, formal project management disciplines.

In addition to the above we have in place a system of internal audit. The internal audit services provided in the current year are:

- An advisory review was undertaken by Evolution Accounting.
- The scope of the work was determined through an initial assessment of the objectives of the area under review, the risk to the achievement of those objectives and the controls that would be expected to mitigate the risks. The review considered the following areas:
 - Website content and social media policy
 - Remote working
 - Software and portable assets
 - 5-year tenancy reviews
- A formal report was received and considered by the Board.
- The Internal Audit report provided the Board with an independent opinion on the adequacy and effectiveness of the systems.

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

- The work of managers within the Authority;
- The work of the internal auditors as described above; and
- The external auditors in their annual audit letter and other reports.

The Parish Commissioners of Braddan

Statement on Internal Control (continued)

Twenty-two high level findings were identified by this process and classified as "Some improvement needed" and four were identified as "Major improvement needed". These related to lack of policy in a number of areas and procedure updates. The Clerk and the administration team will take action in due course to correct the areas of development identified.

Signed  _____

Chairman

Dated 21/10/21

Signed  _____

Responsible Financial Officer

Dated 21.10.21

The Parish Commissioners of Braddan

Comprehensive Income and Expenditure Statement

for the year ended 31 March 2021

	Notes	Expenditure £	Income £	2021 Net £	2020 £
Finance and general purposes		(525,223)	65,121	(460,102)	(470,914)
Property		(16,812)	11,374	(5,438)	(7,101)
Works and development		(143,225)	–	(143,225)	(104,175)
Parks and leisure		(78,831)	–	(78,831)	18,066
Refuse disposal		(451,939)	118,539	(333,400)	(307,112)
Net current service costs		(8,000)	–	(8,000)	(16,000)
Net cost of general fund services		(1,224,030)	195,034	(1,028,996)	(887,237)
Housing services	8	(569,060)	848,585	279,525	317,518
Deficiency receivable	8	–	90,398	90,398	104,769
DOI housing management		(13,984)	20,967	6,983	13,192
Net cost of housing services		(583,044)	959,950	376,906	435,479
Net cost of services		(1,807,074)	1,154,984	(652,090)	(451,758)
Income from the general rate fund	7			1,079,211	1,055,812
Interest receivable and other income				8,663	5,049
Interest payable and similar charges				(371,995)	(386,013)
Net pension interest cost				(12,000)	(19,000)
Profit on sale of fixed assets				–	–
Surplus/(deficit) on provision of services				51,789	204,090
Other Comprehensive Income and Expenditure					
Re-measurement of net pension liability				(536,000)	261,000
Surplus on revaluation of fixed assets				–	–
Total comprehensive (expenditure)/ income				(484,211)	465,090

The Parish Commissioners of Braddan

Statement of Movement on Reserves for the year ended 31 March 2021

Year ending 31 March 2021

	General fund	Capital adjustment account	Revaluation reserve	Housing revenue reserve	Pensions reserve	DOI maintenance reserve
	£	£	£	£	£	£
Total comprehensive income and expenditure	51,789	-	-	-	(536,000)	-
Depreciation of fixed assets	93,141	(257,367)	(116,423)	280,649	-	-
Net charges made for retirement benefits	20,000	-	-	-	(20,000)	-
Loan fund principal repayments	(92,871)	339,700	-	(246,829)	-	-
Fixed assets financed from general fund	(44,043)	99,401	-	(55,358)	-	-
Transfer to/(from) housing revenue reserve	(15,447)	-	-	15,447	-	-
Transfer to/(from) DOI maintenance reserve	(6,983)	-	-	-	-	6,983
Other reserve transfers	-	(3,368)	-	3,368	-	-
Write back of impairments	-	-	-	-	-	-
	5,586	178,366	(116,423)	(2,723)	(556,000)	6,983
Balance brought forward at March 2020	1,002,821	4,323,351	8,821,751	55,475	(575,000)	23,482
Balance carried forward at March 2021	1,008,407	4,501,717	8,705,328	52,752	(1,131,000)	30,465

The Parish Commissioners of Braddan

Statement of Movement on Reserves for the year ended 31 March 2021

Year ending 31 March 2020	General fund	Capital adjustment account	Revaluation reserve	Housing revenue reserve	Pensions reserve	DOI maintenance reserve
	£	£	£	£	£	£
Total comprehensive income and expenditure	204,090	-	-	-	261,000	-
Depreciation of fixed assets	117,016	(268,188)	(127,215)	278,387	-	-
Net charges made for retirement benefits	35,000	-	-	-	(35,000)	-
Loss on disposal of fixed assets	-	-	-	-	-	-
Loan fund principal repayments	(88,932)	1,528,901	-	(1,439,970)	-	-
Fixed assets financed from general fund	(173,916)	258,424	-	(84,508)	-	-
Transfer to/(from) housing revenue reserve	(58,878)	-	-	58,878	-	-
Transfer to/(from) DOI maintenance reserve	(13,192)	-	-	-	-	13,192
Other reserve transfers	-	(1,178,705)	-	1,178,705	-	-
Write back of impairments	(88,837)	88,837	-	-	-	-
	(67,649)	429,269	(127,215)	(8,508)	226,000	13,192
Balance brought forward at March 2019	1,070,468	3,894,083	8,948,964	63,981	(801,000)	10,290
Balance carried forward at March 2020	1,002,821	4,323,352	8,821,749	55,475	(575,000)	23,482

The Parish Commissioners of Braddan

Balance Sheet

as at 31 March 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible fixed assets	1		22,455,619		21,020,704
			<u>22,455,619</u>		<u>21,020,704</u>
Current assets					
Stock	2	5,080		7,991	
Debtors	3	93,139		229,990	
Cash at bank	4	2,004,034		1,861,840	
			<u>2,102,253</u>	<u>2,099,821</u>	
Current liabilities					
Short-term borrowing	6	437,804		339,700	
Creditors	5	477,875		503,764	
			<u>915,679</u>	<u>843,464</u>	
			1,186,574		1,256,357
			<u>23,642,193</u>		<u>22,277,061</u>
Long-term liabilities					
Long-term borrowing	6	9,343,524		8,050,181	
Net pension liabilities	16	1,131,000		575,000	
			<u>10,474,524</u>	<u>8,625,181</u>	
Total assets less liabilities					
			<u>13,167,669</u>		<u>13,651,880</u>
Reserves:					
General fund			1,008,407		1,002,821
Capital adjustment account			4,501,717		4,323,351
Revaluation reserve			8,705,328		8,821,751
Housing revenue reserve			52,752		55,475
Pension reserve			(1,131,000)		(575,000)
DOI maintenance reserve			30,465		23,482
			<u>13,167,669</u>		<u>13,651,880</u>

The statement of accounts were approved by the Board of Braddan Parish Commissioners on 21st October 2021 and were signed on their behalf by:

Chairman




Responsible Financial Officer

The Parish Commissioners of Braddan

Cash Flow Statement

for the year ended 31 March 2021

	Notes	2021 £	£	2020 £	£
Net surplus / (deficit) on provision of services		587,788		465,090	
Adjustments to net surplus on provision of services for non-cash movements	11	(28,937)		72,129	
Adjustments for items included in net surplus on provision of services that are investing and financing activities		(396,058)		388,037	
Net cash flows from operating activities			162,793		925,256
Net cash flows from investing activities	12	(1,807,765)		(911,277)	
Net cash flows from financing activities	13	1,778,842		49,286	
			(28,923)		(861,991)
Net increase in cash and cash equivalents			133,870		63,265
Cash and cash equivalents at the beginning of the reporting period			742,637		679,372
Cash and cash equivalents at the end of the reporting period			876,507		742,637

The Parish Commissioners of Braddan

Statement of Accounting Policies

1. Basis of preparation

The statement of accounts 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 statement of accounts 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 statement of accounts are presented in Sterling (£) to the nearest £.

2. Going concern

On the 11 March 2020 the World Health Organisation declared the COVID-19 outbreak a World pandemic. The COVID-19 pandemic lockdowns have disrupted the services for recycling and the household waste centre, and domestic general waste disposal charges have increased as a result. 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, the statement of accounts 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.

(c) Refuse disposal income

Refuse disposal income 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.

5. Value Added Tax

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

6. Tangible fixed assets

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

The Parish Commissioners of Braddan

Statement of Accounting Policies (continued)

(a) Recognition

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

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

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

(b) Measurement (valuation bases)

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

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

- Infrastructure and Community assets – depreciated historic cost (or a nominal value where the historic cost is not known);
- Assets under construction – historic cost;
- Surplus assets – fair value (determined by the measurement of the highest and best use of the asset); and
- 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").

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost 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 (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 authority.

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

The Parish Commissioners of Braddan

Statement of Accounting Policies (continued)

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); or
- 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); or
- 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:

Operational assets:

Land	not depreciated
Freehold buildings	50 years
Plant and machinery	3-10 years
Furniture and equipment	25 years
Motor vehicles	10 years
Car parks	20 years
Playground equipment	10 years
Infrastructure assets	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.

The Parish Commissioners of Braddan

Statement of Accounting Policies (continued)

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.

8. Government grants and contributions

Government grants, third party contributions 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) 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. Stocks

Stocks have been valued at the lower of cost and net realisable value.

10. Debtors

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

11. Creditors

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

The Parish Commissioners of Braddan

Statement of Accounting Policies (continued)

12. Employee benefits

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

(a) Short term benefits

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

(b) Defined benefit pension plan

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

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

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

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

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

13. Contingent assets

Contingent assets are not recognised in the Balance Sheet but are disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

The Parish Commissioners of Braddan

Statement of Accounting Policies (continued)

14. Reserves

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

General 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: represents the unspent allowance for repairs on the Commissioners' housing stock and was set up to assist in meeting any future overspend on housing revenue repairs and maintenance.

Capital receipts reserve: these are amounts of capital monies from the sale of assets, used to finance future capital expenditure.

DOI maintenance reserve: represents the unspent maintenance fees for repairs on the Department of Infrastructure housing stock managed under the transfer agreement, which will assist in meeting future overspends on repairs and maintenance.

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.

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.

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

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

The Parish Commissioners of Braddan

Significant Estimates and Judgements

(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 rate payers.
- 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 statement of accounts. 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.

The Parish Commissioners of Braddan

Notes to the statement of accounts

1. Tangible fixed assets

<i>Operational assets</i>	Dwellings	Other land and buildings	Vehicles, plant and equipment	Infrastructure	Community assets	Total
	£	£	£	£	£	£
Cost or valuation						
At 31 March 2020	17,085,358	1,085,525	647,704	778,166	2,300	19,599,053
Additions in the year	55,358	8,710	6,996	1,138	27,664	99,866
Disposals in the year	—	—	—	—	—	—
Revaluations	—	—	—	—	—	—
Transfers	—	—	—	—	—	—
Impairments	—	—	—	—	—	—
At 31 March 2021	17,140,716	1,094,235	654,700	779,304	29,964	19,698,919
Depreciation						
At 31 March 2020	278,387	13,283	396,066	553,873	—	1,241,609
Charge for the year	280,649	14,154	49,037	29,950	—	373,790
Disposals in the year	—	—	—	—	—	—
At 31 March 2021	559,036	27,437	445,103	583,823	—	1,615,399
Net book value						
At 31 March 2021	16,581,680	1,066,798	209,597	195,481	29,964	18,083,520
At 31 March 2020	16,806,971	1,072,242	251,638	224,293	2,300	18,357,444

The Parish Commissioners of Braddan

Notes to the statement of accounts (continued)

Assets Under Construction

	Total
	£
Cost or valuation at 31 March 2020	2,663,260
Additions in the year	1,708,839
Transfers	—
	<hr/>
At 31 March 2021	4,372,099
	<hr/>
Depreciation	
Depreciation at 31 March 2020	—
	<hr/>
Depreciation at 31 March 2021	—
	<hr/>
Net book value	
At 31 March 2021	4,372,099
	<hr/> <hr/>
At 31 March 2020	2,663,260
	<hr/> <hr/>

Valuation of fixed assets

The Authority carry out revaluations of its fixed assets every 5 years. This exercise was last performed as at 31 March 2019. The valuation was carried out by Chrystals Surveyors of 31 Victoria Street, Douglas. The valuations were carried out in accordance with the RICS Valuation Standards 6th Editions Appendix 1.5 and the Accounts and Audit regulations 2018. The basis of these valuations has been detailed in the Accounting Policies.

Historical cost of revalued fixed assets

	2021	2020
	£	£
Included within the above are assets with a historical cost of:	13,493,630	11,885,180
	<hr/> <hr/>	<hr/> <hr/>

The Parish Commissioners of Braddan

Notes to the statement of accounts (continued)

Assets held

Operational assets	Restated number at 31 March 2020	Changes In year	Number at 31 March 2021
Dwellings:			
Standard dwellings	151	–	151
Other land and buildings:			
Car parks	2	–	2
Depots	1	–	1
Public halls	1	–	1
Public offices	1	–	1
Miscellaneous properties	2	–	2
Vehicles, plant and equipment:			
Vehicles	1	–	1
Plant and equipment	3	–	3
Infrastructure assets:			
Street lights	565	–	565
Community assets:			
Historic properties	1	–	1
Parks and open spaces	6	–	6
Non-operational assets:			
Other properties	3	–	3
Agricultural land	1	–	1

Miscellaneous properties were misstated in the prior year and the comparative has been corrected in the current year.

2. Stocks

Stocks balance comprises the Authority's stock of wheeled refuse bins and dog fouling bags.

	2021 £	2020 £
Wheeled refuse Bins	2,136	3,426
Dog fouling bags	837	530
Recycling boxes	1,176	1,280
Recycling trolleys	931	2,755
	<u>5,080</u>	<u>7,991</u>

The value of stock recognised as an expense in the comprehensive income and expenditure statement was £9,952 (2020: £21,817).

The Parish Commissioners of Braddan

Notes to the statement of accounts (continued)

3. Debtors and prepayments

	2021 £	2020 £
Amounts falling due in one year (net of bad debt provisions):		
Government Departments	25,841	163,783
Public Authorities	2,490	2,735
Ratepayers	6,505	2,499
Housing rents	2,655	3,599
Trade debtors	50,032	50,174
Sundry debtors	19	–
Prepayments	5,597	7,200
	<u>93,139</u>	<u>229,990</u>

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

	2021 £	2020 £
Sundry debtors	125,000	125,000
Trade debtors	6,621	6,621
	<u>131,621</u>	<u>131,621</u>

4. Cash at bank

	2021 £	2020 £
Cash at bank	876,515	742,644
Short term deposits	871,219	606,617
Long term deposits	256,300	512,579
	<u>2,004,034</u>	<u>1,861,840</u>

5. Creditors

	2021 £	2020 £
Central Government	17,648	27,304
Public Authorities	3,996	33,396
Local Authorities	25,641	10,378
Ratepayers	2,017	19,790
Housing rents	3,900	18,654
Sundry creditors	424,673	394,242
	<u>477,875</u>	<u>503,764</u>

The Parish Commissioners of Braddan

Notes to the statement of accounts (continued)

6. Borrowing

Loans outstanding may be analysed as follows:

	2021 £	2020 £
<i>Falling due within one year:</i>		
Commercial loans	<u>437,804</u>	<u>339,700</u>
Total falling due within one year	<u><u>437,804</u></u>	<u><u>339,700</u></u>
<i>Falling due after more than one year:</i>		
Commercial loans	<u>9,343,524</u>	<u>8,050,181</u>
Total falling due after more than one year	<u><u>9,343,524</u></u>	<u><u>8,050,181</u></u>
Total loan borrowing	<u><u>9,781,328</u></u>	<u><u>8,389,881</u></u>

The commercial loans represent:

- Loans from the Isle of Man Bank bear interest at fixed rates between 5.55% and 5.70% per annum.
- Loans with HSBC bear interest at a variable rate of 0.95% over LIBOR.

The loans are secured by a Letter of Comfort provided by the Isle of Man Treasury.

The Parish Commissioners of Braddan

Notes to the statement of accounts (continued)

7. General rate account

	£	2021 £	£	2020 £
General rates levied for the year		1,121,213		1,105,773
<i>Add:</i>				
Arrears brought forward		2,499		2,958
Cash received in advance		(6,122)		(3,684)
		<u>1,117,590</u>		<u>1,105,047</u>
<i>Less:</i>				
Discounts	(24,439)		(34,457)	
Exempt and uninhabitable properties	(17,144)		(15,276)	
		<u>(41,583)</u>		<u>(49,733)</u>
Total rates collectable		<u>1,076,007</u>		<u>1,055,314</u>
<i>Rates received in the year:</i>				
Current year rates	1,075,749		1,060,129	
Arrears collected	(4,230)		(1,192)	
Total rates received in the year		<u>1,071,519</u>		<u>1,058,937</u>
Balances outstanding carried forward:				
Arrears – current year	6,505		2,499	
Rates paid in advance	(2,017)		(6,122)	
		<u>4,488</u>		<u>(3,623)</u>
		<u>1,076,007</u>		<u>1,055,314</u>
		2021		2020
		£		£
General rates levied for the year		1,121,213		1,105,773
Less: Discounts, exempt/uninhabitable properties and refunds		(42,002)		(49,961)
Per Comprehensive Income and Expenditure Statement		<u>1,079,211</u>		<u>1,055,812</u>

The Parish Commissioners of Braddan

Notes to the statement of accounts (continued)

8. Housing revenue income and expenditure

	2021		2020
	£	£	£
Income			
Dwelling rents	737,298		727,863
Housing deficiency receivable	90,398		104,769
Other income	102,576		103,382
Cronkbourne rent income	8,711		30,325
	<u> </u>		<u> </u>
Total income		938,983	966,339
Expenditure			
Repairs and maintenance	(133,072)		(86,422)
Supervision and management	(40,684)		(40,681)
Rents, rates and other charges	(102,576)		(103,382)
Depreciation and impairment charges	(280,649)		(278,387)
Cronkbourne rent payable	(12,079)		(35,180)
	<u> </u>		<u> </u>
		(569,060)	(544,052)
		<u> </u>	<u> </u>
Net cost of housing services		369,923	422,287
		<u> </u>	<u> </u>

Dwelling rent income

Dwelling rent income is the total rent due for the year after voids, write-offs, refunds etc. Voids represent 3.74% of the rental debit for the year (2020: 2.08%).

Rent arrears

	2021	2020
Rent arrears	2,655	3,599
Rent arrears as a percentage of gross rent income	0.23%	0.38%
	<u> </u>	<u> </u>

Housing deficiency grant

Housing deficiency grant is paid from central government to meet the shortfall which might be incurred by the Authority. The amount of deficiency is calculated as follows:

	2021	2020
	£	£
Opening balance due	(9,529)	50,102
Charges to Deficiency Grant	90,398	128,000
Payments received from Department of Infrastructure	(197,955)	(187,631)
	<u> </u>	<u> </u>
Closing balance due	(117,086)	(9,529)
	<u> </u>	<u> </u>

The Parish Commissioners of Braddan

Notes to the statement of accounts (continued)

Included in the rent, rates, taxes, and other charges above is £102,576 (2020: £103,382) of rates charged in respect of the Commissioners tenanted properties. This amount is also included in other income within the housing revenue account in addition to income from the general rate fund shown in the Comprehensive Income and Expenditure Statement.

9. Employee remuneration

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

	2021 Number of employees	2020 Number of employees
Remuneration band		
£50,000 – £74,999	2	2

Key management compensation

The total key management personnel compensation was £167,679 (2020: £161,157) including employers pension contributions.

Members' allowances

During the year the Authority paid £6,984 to its members in respect of their attendance at meetings, undertaking duties and responsibilities (2020: £6,335).

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. Details of transactions with government departments are set out in notes 3 and 5 however the Authority's relationship with the Department of Infrastructure is such that it merits reporting here.

Department of Infrastructure – The Authority has contracts with the DOI for waste disposal charges at the Energy from Waste Plant and the supply of refuse collection services, and the management of housing stock at Cronk Grianagh. During the year an amount of £234,142 (2020: £193,237) was invoiced by the DOI and charges of £42,467 (2020: £385) were issued to them. At the year end, an amount of £139 was due (2020: £0) from the Department in this respect. During the year, housing deficiency requirements were funded by the Department as disclosed in Note 8.

Public Authorities – The Authority has contracts with the Manx Utilities Authority for street lighting maintenance and supply of electricity. During the year an amount of £57,959 (2020: £137,166) was invoiced, and at the year end an amount of £1 (2020: £26,375) was due to them.

The Parish Commissioners of Braddan

Notes to the statement of accounts (continued)

The Authority has contracts with the Isle of Man Post Office for provision of postal paid impression services and the supply of refuse collection services. During the year an amount of £2,578 (2020: £3,910) was invoiced by Isle of Man Post Office and charges of £7,110 (2020: £7,219) were issued to them. At the year end, a balance of £2,130 (2020: £883 due to them) was due from them.

Local Authorities - the Authority has contracts with Douglas Borough Council for operation of the Eastern Civic Amenity Site, road sweeping and kerbside collection. During the year an amount of £173,053 (2020: £123,459) was invoiced, and at the year end, an amount of £7,524 (2020: £0) was due to Douglas Borough Council in this respect.

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.

Members of the Authority – Note 9 refers to related party transactions for Members attendance allowance claims. In addition to this, Commissioner J Quaye has an interest in Manx Independent Carriers Limited. During the year an amount of £0 (2020: £49) was invoiced by Manx Independent Carriers Limited and charges of £4,192 (2020: £3,691) were issued to them. At the year end, a balance of £1,474 (2020: £1,584) was due from Manx Independent Carriers.

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 and revaluation losses for non-current assets	373,790	306,566
Loss on sale of assets	–	–
Increase/(decrease) in creditors	(26,489)	54,181
(Increase)/decrease in debtors	136,851	(63,146)
Decrease/(increase) in stock	2,911	528
Difference between FRS102 pension cost and contributions paid	(516,000)	(226,000)
	<u>(28,937)</u>	<u>72,129</u>

12. Cash flow statement – investing activities

	2021	2020
	£	£
Purchase of assets (Fixed assets, intangible assets)	(1,808,105)	(2,108,501)
Other payments for investing activities	(8,323)	1,192,175
Receipts from short-term and long-term investments	8,663	5,049
Proceeds from the sale of tangible fixed assets and investment properties	–	–
	<u>(1,807,765)</u>	<u>(911,277)</u>

The Parish Commissioners of Braddan

Notes to the statement of accounts (continued)

13. Cash flow statement – financing activities

	2021	2020
	£	£
New loan borrowings	1,731,147	1,971,273
Repayments of short-term and long-term borrowing	(339,700)	(1,528,901)
Loan interest paid	387,395	(393,085)
	<u>1,778,842</u>	<u>49,287</u>

14. Audit fees

During the year the Authority incurred external audit fees of £8,950 (2020: £8,950).

15. Total rateable value

The total rateable value at the 31st March 2021 was £552,734 (2020: £550,249) and the rates charged for the year were 203p (2020: 201p) in the £.

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:

	2021	2020
Rate of increase in salaries	3.60%	2.65%
Rate of increase in pensions	2.80%	1.85%
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:

	2021	2020
	Years	Years
Longevity at the age of 65 for current pensioners		
Men	21.2	21.1
Women	24.2	24.1
Longevity at the age of 65 for future pensioners		
Men	22.5	22.5
Women	25.6	25.5

The Parish Commissioners of Braddan

Notes to the statement of accounts (continued)

Reconciliation of scheme assets and liabilities:

	Assets £	Liabilities £	Total £
At 1 April 2020	1,428,000	2,003,000	(575,000)
Benefits paid	(3,000)	(3,000)	–
Employer contributions	71,000	–	71,000
Current service cost	–	75,000	(75,000)
Interest income/(expense)	35,000	47,000	(12,000)
Actuarial losses	–	772,000	(772,000)
Return on plan assets excluding interest income	236,000	–	236,000
Administration expenses	(4,000)	–	(4,000)
At 31 March 2021	1,763,000	2,894,000	(1,131,000)

Total cost recognised as an expense:

	2021 £	2020 £
Current service cost	4,000	11,000
Interest cost	12,000	19,000
	16,000	30,000

No amounts were included in the cost of assets (2020: £nil).

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

	2021 %	2020 %
Equity instruments	54%	46%
Bonds	32%	37%
Property	14%	16%
Cash	0%	1%

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

	2021 £	2020 £
Interest income	35,000	38,000
Return on plan assets less interest income	(3,000)	(3,000)
Total return on plan assets	32,000	35,000

The Parish Commissioners of Braddan

Notes to the statement of accounts (continued)

17. Capital commitments

The estimated commitments for capital expenditure that had started or legal contracts entered into are:

	2021	2020
	£	£
Housing	<u>1,061,114</u>	<u>2,760,055</u>

2021 capital commitments cover the construction of 30 Apartments at Snugborough Farm Site, Union Mills, and associated fees. The development is due to be completed in September 2021, the projected expenditure will be spread over the forthcoming financial years as follows:

Year ending March 2022	707,682
Year ending March 2023	353,432
	<u>1,061,114</u>

The Parish Commissioners of Braddan

Detailed Income and Expenditure Account

for the year ended 31 March 2021

	2021 £	2021 £	2020 £	2020 £
Finance and general purposes				
Salaries	298,229		269,908	
Pension costs	70,951		65,568	
Community warden expenses	1,325		2,120	
Administration costs	5,440		6,875	
Printing and stationery	3,222		2,943	
Telephone	4,643		4,251	
Advertising	1,752		838	
Establishment	21,239		21,904	
Audit and accountancy	22,993		24,807	
Bank charges	5,709		5,709	
Sundry expenses	(47)		163	
IT maintenance	25,106		19,991	
Attendance and travelling allowances	6,984		6,335	
Legal and professional fees	4,557		29,727	
Depreciation	49,037		72,252	
Rates surfeit	4,083		2,175	
Bad debt provisions	—		—	
	<u> </u>		<u> </u>	
Less:		(525,223)		(535,566)
Administration allowance	40,684		40,681	
Housing management fee DOI	11,100		11,100	
Search fees	8,145		7,300	
Discounts received	4,792		5,093	
Fines	50		100	
Street trader licence fees	350		380	
	<u> </u>	65,121	<u> </u>	64,654
		<u> </u>		<u> </u>
		(460,102)		(470,912)
		<u> </u>		<u> </u>
Property and Playgrounds				
Garage costs	—		—	
Hall repairs and expenses	2,658		4,506	
Depreciation	14,154		13,283	
	<u> </u>	(16,812)	<u> </u>	(17,789)
Less:				
Hall hire and property rental	11,374		10,688	
Garage rents	—		—	
	<u> </u>	11,374	<u> </u>	10,688
		<u> </u>		<u> </u>
		(5,438)		(7,101)
		<u> </u>		<u> </u>

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The Parish Commissioners of Braddan

Detailed Income and Expenditure Account (continued)

for the year ended 31 March 2021

	2021 £	2021 £	2020 £	2020 £
Works and development				
Car park	2,391		241	
Street lighting	40,488		37,163	
Street and gully cleaning	33,931		28,310	
Hedges, verges and weed cutting	36,465		6,980	
Depreciation	29,950		31,481	
	<u> </u>		<u> </u>	
		(143,225)		(104,175)
		<u> </u>		<u> </u>
Parks and Leisure				
<i>Leisure</i>				
Community celebrations	2,283		1,561	
	<u> </u>		<u> </u>	
		(2,283)		(1,561)
<i>Library</i>				
Books and newspapers	1,000		1,000	
	<u> </u>		<u> </u>	
		(1,000)		(1,000)
<i>Parks, glens, open spaces</i>				
Environmental amenities	75,548		68,210	
Write back of impairments	—		(88,837)	
	<u> </u>		<u> </u>	
		(75,548)		20,627
		<u> </u>		<u> </u>
		(78,831)		18,066
		<u> </u>		<u> </u>
Refuse disposal				
Refuse collection charge	129,251		121,388	
Litter	19,896		22,263	
Civic amenity	87,279		78,450	
Waste disposal	183,602		175,191	
Kerbside collection	31,911		31,267	
	<u> </u>		<u> </u>	
		(451,939)		(428,559)
Less:				
Collection charges	118,539		121,447	
	<u> </u>		<u> </u>	
		118,539		121,447
		<u> </u>		<u> </u>
		(333,400)		(307,113)
		<u> </u>		<u> </u>

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