

The Parish Commissioners of Braddan

Statement of Accounts

For the year ended 31 March 2022

The Parish Commissioners of Braddan

Contents

	Page
Members, Officers and Advisors	2-3
Explanatory Foreword	4-6
Statement of Responsibilities for the Statement of Accounts	7
Report of the Independent Auditor	8-10
Statement on Internal Control	11-13
Comprehensive Income and Expenditure Statement	14
Statement of the Movement on Reserves	15-16
Balance Sheet	17
Cash Flow Statement	18
Statement of Accounting Policies	19-24
Significant Estimates and Judgements	25
Notes to the Statement of Accounts	26-38
Detailed income and expenditure account <i>these pages do not form part of the audited statement of accounts</i>	39-40

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.

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.

The members, their roles and responsibilities are:

Mr A.C.R. Jessopp	Chairman; Richmond Hill Consultative Committee Representative.
Mr J. Quaye	Vice Chairman.
Mr A.D. Morgan	Richmond Hill Consultative Committee Representative.
Mr N.M. Mellon	Eastern Civic Amenity Site Representative Braddan Endowment Fund Representative.
Mr P. Scott	Isle of Man Municipal Association Representative

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.

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 Limited of Peveril Buildings, Peveril Square, Douglas Isle of Man, IM99 1RZ.

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 2021-22 financial year started with a balance of £1,008,407 held in our general revenue fund and £52,752 in the housing repairs reserve. The general revenue reserve has reduced in the year to £871,915. The housing repairs reserve has increased to £98,317.

Our Parish Rate increased to 224p in the £ (2021: 203p in the £). The Parish Rate Book has grown in the year by the addition of 32 new properties, which together with other extensions and alterations resulted in the rateable value of the Parish increasing by £3,775. Allowances of £20,334 (2021: £17,728) were granted to 14 separate charities under Section 74 of the Rating Act. Rate arrears at the year end amounted to £343 (2021: £6,505) which arise from 5 properties (2021: 18). We are continuing to vigorously pursue the recovery of the outstanding balances.

Significant achievements during the year

We started the year in lockdown once again, thankfully this time it was only a short period and the impact hasn't been too significant.

Works on the development at Mullen Doway to construct 30 units (24 two-bedroom and 6 one-bedroom units) were significantly delayed, but completion was achieved in late December 2021 and the new tenants were given occupation in early January 2022. The asset value of this development has been included in Note 1 and transferred from Assets Under Construction to Dwellings. The Capital Commitment costs of the project are included at Note 17. The properties were valued in January 2022 by Chrystals which resulted in a revaluation adjustment of £1,112,878 being required. The costs incurred in professional fees for this project have been transferred from the reserve retained from the sale of Cronkbourne Village in the sum of £55,685. For clarity this reserve has been split out from the Capital adjustment account and detailed separately on the balance sheet.

On 17th May 2021 the site at Strang Corner was officially handed to the developer Cedar Developments Limited for work to commence on construction of a community centre. The programme is delayed due to various factors and what was originally planned for completion in December 2022 is now more likely to be April 2023. The asset value of this development has been included in Note 1 as Assets Under Construction. The costs incurred in professional fees for this project have been transferred from the General Revenue Reserve in the year in the sum of £242,609. Funding will be drawn down from the HSBC loan facility in 8 tranches, at the year end 4 tranches had been drawn totalling £3,524,982.

The Parish Commissioners of Braddan

Explanatory Foreword (continued)

Heads of agreement have been entered into with all of the 9 tenanted units, the final lease agreements are being worked on.

We have had 16 void properties in the year (8%) 8 of which were relet in the year, 4 were allocated from the Eastern Shared Housing Waiting List, 4 were inter-authority transfers. In addition to this there were 5 internal transfers to the new properties at Mullen Doway.

We continue to work towards introducing the 5-year tenancies to all our tenants, at the year end 53% of our tenants are on the new tenancy agreement.

In May 2020 we entered into 4 year agreement with the Department of Infrastructure to continue managing the 37 properties at Cronk Grianagh, Strang, this had previously been a trial contract, and we are delighted with the Departments continued trust in our housing team.

Throughout the year we have been in discussion with our neighbouring authorities in the Eastern Civic Amenity Site Committee (Douglas Borough Council, Onchan District Commissioners, Garff District Commissioners and Santon Parish Commissioners) regarding the development of a replacement Household Recycling Centre at Middle Park. Planning approval was obtained in July 2021. A Petition for borrowing approval has been submitted to the Department of Infrastructure. Costs have been incurred in the year for the design element of this project.

In January 2022 the Board agreed to take over the day-to-day management of the Port Soderick Hall from the Trustees of the Port Soderick Hall, to ensure that the hall is retained for use by the residents of South Braddan. Charges incurred to ensure the electrical systems in the hall were safe, have been passed back to the Trustees and payment is awaited.

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 have had an impact on the cost of the project. The projected increase in cost currently stands at £300,000. We are currently in discussions with the design team and the contractor to agree the final account.

Progress for the development of a Community Centre at Strang Corner Field is ongoing, and is already significantly delayed. The site was formally handed to the developer on 17th May 2021 for construction works to commence with an anticipated completion of December 2022, however we are now anticipating completion in May 2023. Supplies of construction material is proving problematic due to the pandemic and various other factors, and some costs have been significantly impacted by this. Ongoing delays will have significant impact on our income sources from rent and sports hall use, and we are working with the developer to minimise the delays wherever possible. We have heads of agreement signed by all of the 9 tenants. Leases for the units are being drafted for consideration by the tenants in the near future. The Board have considered increases in the number of staff employed to manage the centre. They are also in discussions with a media and PR agency to assist with the branding and promotion of the centre. During 2021 they carried out a sustainability review of the project and decided to install an Air Source Heat Pump in the nursery element and are progressing installation of a solar array on the sports hall roof.

The Parish Commissioners of Braddan

Explanatory Foreword (continued)

The approval of the Area Plan for the East will have an impact on development in the parish in the next 5 years. The Board have recently met with Hartford Homes who are seeking to develop 360 homes on land zoned at Ballafletcher and additional industrial units on land to the south of Cooil Road at Eden Business Park. In addition to these developments the Board have met with Peel NRE who are looking to develop a science, innovation and research centre, a sustainable energy park and medicinal cannabis cultivation facility on a site at Cooil Road. We believe that formal planning applications will be submitted in the near future.

We're continuing to work with our neighbouring authorities 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. Subject to borrowing approval, it is anticipated the development will be completed in 12 months.

In September 2020 we submitted business cases to the Department of Infrastructure to seek funding for the following schemes:

- Close Y Lhergy – fencing and gardens
- Millennium Close – kitchens and heating
- Jubilee Terrace and Coronation Terrace – roofs, doors and windows

In January 2022 we received confirmation that we had been successful and our schemes would be included in the budgets for 2022-23 financial year. We are in the process of appointing design teams for these projects.

The Board are committed to promoting recycling in the year ahead. In an attempt to highlight the cost of refuse collection to their residents a domestic refuse charge was introduced to evenly distribute the cost of waste disposal to all domestic properties in the parish.

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 Statement of Accounts of The Parish Commissioners of Braddan for the year ended 31 March 2022 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 2022 and of its total comprehensive income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 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 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 7, 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:

The Parish Commissioners of Braddan

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

We considered the opportunities for non-compliance with the key laws and regulations affecting the Authority and identified the Account and Audit Regulations 2018 and the Audit Act 2006 as the primary legislation affecting the entity. We reviewed the board minutes to consider whether there have been any activity in the Authority which is required to be disclosed under the legislation as well as design tests to ensure the financial statements include all the necessary disclosures required by the legislation and regulation.

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 the 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 23 September 2022

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 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 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 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 2022

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:
 - Election processes
 - Staff Manual and sick leave
 - Technical content of tender documents
 - Void management
 - Risk assessment workshops with staff and board members
- 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

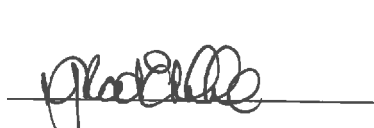
Statement on Internal Control (continued)

Eighteen high level findings were identified by this process and classified as "Some improvement needed". These related to lack of policy, defined process or criteria in a number of areas and procedure updates to introduce supplementary checks and simplification of procedures. The Clerk and the administration team will take action in due course to correct the areas of development identified.

Signed 

Chairman

Dated 22/9/22

Signed 

Responsible Financial Officer

Dated 22.09.22

The Parish Commissioners of Braddan

Comprehensive Income and Expenditure Statement for the year ended 31 March 2022

	Notes	Expenditure £	Income £	2022 Net £	2021 £
Finance and general purposes		(527,705)	68,901	(458,804)	(460,102)
Property		(22,002)	13,225	(8,777)	(5,438)
Works and development		(120,897)	–	(120,897)	(143,225)
Parks and leisure		(77,074)	468	(76,606)	(78,831)
Refuse disposal		(474,178)	133,600	(340,578)	(333,400)
Net current service costs		(43,000)	–	(43,000)	(8,000)
Net cost of general fund services		(1,264,856)	216,194	(1,048,662)	(1,028,996)
Housing services	8	(1,673,795)	894,389	(779,407)	279,525
Deficiency receivable	8	–	115,186	115,186	90,398
DOI housing management		(13,473)	15,725	2,252	6,983
Net cost of housing services		(1,687,268)	1,025,300	(661,968)	376,906
Net cost of services		(2,952,124)	1,241,494	(1,710,630)	(652,090)
Income from the general rate fund	7			1,197,334	1,079,211
Interest receivable and other income				5,129	8,663
Interest payable and similar charges				(385,314)	(371,995)
Net pension interest cost				(22,000)	(12,000)
Profit on sale of fixed assets				–	–
(Deficit)/surplus on provision of services				(915,481)	51,789
Other Comprehensive Income and Expenditure					
Re-measurement of net pension liability				244,000	(536,000)
Surplus on revaluation of fixed assets				–	–
Total comprehensive (expenditure)/income				(671,481)	(484,211)

The Parish Commissioners of Braddan

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

Year ending 31 March 2022	General fund	Capital adjustment account	Revaluation reserve	Housing revenue reserve	Pensions reserve	DOI maintenance reserve	Cronkbourne Reserve
	£	£	£	£	£	£	£
Total comprehensive income and expenditure	(915,481)	-	-	-	244,000	-	-
Depreciation of fixed assets	92,079	(282,080)	(92,243)	282,243	-	-	-
Net charges made for retirement benefits	65,000	-	-	-	(65,000)	-	-
Loan fund principal repayments	(136,434)	436,302	-	(299,868)	-	-	-
Fixed assets financed from general fund	(259,420)	289,090	-	(29,671)	-	-	-
Transfer to/(from) housing revenue reserve	1,020,017	-	-	(1,020,017)	-	-	-
Transfer to/(from) DOI maintenance reserve	(2,253)	-	-	-	-	2,253	-
Transfer to/(from) Capital receipts reserve brought forward	-	(312,210)	-	-	-	-	312,210
Transfer to/(from) Capital receipts reserve	-	55,685	-	-	-	-	(55,685)
Revaluation of fixed assets	-	(1,112,878)	-	1,112,878	-	-	-
Balance brought forward at March 2021	(136,492)	(926,091)	(92,243)	45,565	179,000	2,253	256,525
Balance carried forward at March 2022	1,008,407	4,501,717	8,705,328	52,752	(1,131,000)	30,465	-
	871,915	3,575,626	8,613,085	98,317	(952,000)	32,718	256,525

The Parish Commissioners of Braddan

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

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

Balance Sheet

as at 31 March 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible fixed assets	1	21,755,680		18,083,520	
Assets under construction	1	2,847,523		4,372,099	
			<u>24,603,203</u>	<u>22,455,619</u>	
Current assets					
Stock	2	9,660		5,080	
Debtors	3	120,869		93,139	
Cash at bank	4	2,971,440		2,004,034	
		<u>3,101,969</u>		<u>2,102,253</u>	
Current liabilities					
Short-term borrowing	6	645,142		437,804	
Creditors	5	620,369		477,875	
		<u>1,265,511</u>		<u>915,679</u>	
			<u>1,836,458</u>	<u>1,186,574</u>	
			<u>26,439,661</u>	<u>23,642,193</u>	
Long-term liabilities					
Long-term borrowing	6	12,991,475		9,343,524	
Net pension liabilities	16	952,000		1,131,000	
		<u>13,943,475</u>		<u>10,474,524</u>	
Total assets less liabilities		<u><u>12,496,186</u></u>		<u><u>13,167,669</u></u>	
Reserves:					
General fund		871,915		1,008,407	
Capital adjustment account		3,575,626		4,501,717	
Revaluation reserve		8,613,085		8,705,328	
Housing revenue reserve		98,317		52,752	
Pension reserve		(952,000)		(1,131,000)	
DOI maintenance reserve		32,718		30,465	
Cronkbourne reserve		256,525		—	
		<u>12,496,186</u>		<u>13,167,669</u>	

The statement of accounts were approved by the Board of Braddan Parish Commissioners on 22nd September 2022 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 2022

	Notes	2022 £	£	2021 £	£
Net (deficit)/surplus on provision of services		(1,159,481)		587,788	
Adjustments to net surplus on provision of services for non-cash movements	11	1,787,206		(28,937)	
Adjustments for items included in net surplus on provision of services that are investing and financing activities		<u>(392,977)</u>		<u>(396,058)</u>	
Net cash flows from operating activities			234,748		162,793
Net cash flows from investing activities	12	(3,513,233)		(1,807,765)	
Net cash flows from financing activities	13	<u>4,243,136</u>		<u>1,778,842</u>	
			729,903		(28,923)
Net increase in cash and cash equivalents			<u>964,651</u>		<u>133,870</u>
Cash and cash equivalents at the beginning of the reporting period	4		<u>876,515</u>		<u>742,637</u>
Cash and cash equivalents at the end of the reporting period	4		<u><u>1,841,166</u></u>		<u><u>876,507</u></u>

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.

Cronkbourne reserve: amounts set aside from Housing capital receipts or revenue resources to finance expenditure on fixed assets or for the repayment of external loans and certain other housing related capital financing transactions.

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

Operational assets

	Dwellings	Other land and buildings	Vehicles, plant and equipment	Infrastructure	Community assets	Total
	£	£	£	£	£	£
Cost or valuation						
At 31 March 2021	17,140,716	1,094,235	654,700	779,304	29,964	19,698,919
Additions in the year	29,670	3,411	4,419	5,202	3,780	46,482
Disposals in the year	–	–	–	–	–	–
Revaluations	(1,112,878)	–	–	–	–	(1,112,878)
Transfers (see note 8)	5,112,878	–	–	–	–	5,112,878
At 31 March 2022	21,170,386	1,097,646	659,119	784,506	33,744	23,745,401
Depreciation						
At 31 March 2021	559,036	27,437	445,103	583,823	–	1,615,399
Charge for the year	282,243	14,569	47,810	29,700	–	374,322
At 31 March 2022	841,279	42,006	492,913	613,523	–	1,989,721
Net book value						
At 31 March 2022	20,329,107	1,055,640	166,206	170,983	33,744	21,755,680
At 31 March 2021	16,581,680	1,066,798	209,597	195,481	29,964	18,083,520

The Parish Commissioners of Braddan

Notes to the statement of accounts (continued)

Assets Under Construction

	Total
	£
Cost or valuation at 31 March 2021	4,372,099
Additions in the year	3,588,302
Transfers (see note 8)	(5,112,878)
	<hr/>
At 31 March 2022	2,847,523
	<hr/>
Depreciation	
Depreciation at 31 March 2021	—
	<hr/>
Depreciation at 31 March 2022	—
	<hr/>
Net book value	
At 31 March 2022	2,847,523
	<hr/> <hr/>
At 31 March 2021	4,372,099
	<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. Valuations of the 30 apartments at Mullen Doway was carried out in January 2022, when the properties were completed by the contractor. 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

	2022	2021
	£	£
Included within the above are assets with a historical cost of:	16,905,954	13,493,630
	<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 2021	Changes In year	Number at 31 March 2022
Dwellings:			
Standard dwellings	151	30	181
Other land and buildings:			
Car parks	2	–	2
Depots	1	–	1
Public halls	1	1	2
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	6	571
Community assets:			
Historic properties	1	–	1
Parks and open spaces	6	–	6
Non-operational assets:			
Other properties	3	–	3
Agricultural land	1	–	1

2. Stocks

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

	2022 £	2021 £
Wheeled refuse Bins	2,767	2,136
Dog fouling bags	1,248	837
Recycling boxes	843	1,176
Recycling trolleys	2,767	931
Litter bins	860	–
Carbon monoxide detectors	1,175	–
	<u>9,660</u>	<u>5,080</u>

The value of stock recognised as an expense in the comprehensive income and expenditure statement was £11,262 (2021: £9,952).

The Parish Commissioners of Braddan

Notes to the statement of accounts (continued)

3. Debtors and prepayments

	2022	2021
	£	£
Amounts falling due in one year (net of bad debt provisions):		
Government Departments	55,870	25,841
Public Authorities	8,236	2,490
Ratepayers	343	6,505
Housing rents	601	2,655
Trade debtors	48,052	50,032
Sundry debtors	2,373	19
Prepayments	5,394	5,597
	<u>120,869</u>	<u>93,139</u>

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

	2022	2021
	£	£
Sundry debtors	125,000	125,000
Trade debtors	6,621	6,621
Rent debtors	1,500	—
	<u>133,121</u>	<u>131,621</u>

4. Cash at bank

	2022	2021
	£	£
Cash at bank	1,841,166	876,515
Short term deposits	873,463	871,219
Long term deposits	256,811	256,300
	<u>2,971,440</u>	<u>2,004,034</u>

5. Creditors

	2022	2021
	£	£
Central Government	23,175	17,648
Public Authorities	14,859	3,996
Local Authorities	33,791	25,641
Ratepayers	1,936	2,017
Housing rents	32,667	3,900
Sundry creditors	513,941	424,673
	<u>620,369</u>	<u>477,875</u>

The Parish Commissioners of Braddan

Notes to the statement of accounts (continued)

6. Borrowing

Loans outstanding may be analysed as follows:

	2022 £	2021 £
<i>Falling due within one year:</i>		
Commercial loans	<u>645,142</u>	<u>437,804</u>
Total falling due within one year	<u><u>645,142</u></u>	<u><u>437,804</u></u>
<i>Falling due after more than one year:</i>		
Commercial loans	<u>12,991,474</u>	<u>9,343,524</u>
Total falling due after more than one year	<u><u>12,991,474</u></u>	<u><u>9,343,524</u></u>
Total loan borrowing	<u><u>13,636,616</u></u>	<u><u>9,781,328</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

	£	2022 £	£	2021 £
General rates levied for the year		1,246,198		1,121,213
<i>Add:</i>				
Arrears brought forward	6,505			2,499
Cash received in advance	(2,017)			(6,122)
		<u>1,250,686</u>		<u>1,117,590</u>
<i>Less:</i>				
Discounts	(21,706)		(24,439)	
Exempt and uninhabitable properties	(26,278)		(17,144)	
		<u>(47,984)</u>		<u>(41,583)</u>
Total rates collectable		<u><u>1,202,702</u></u>		<u><u>1,076,007</u></u>
<i>Rates received in the year:</i>				
Current year rates	1,199,900		1,075,749	
Arrears collected	4,395		(4,230)	
Total rates received in the year		<u>1,204,295</u>		<u>1,071,519</u>
Balances outstanding carried forward:				
Arrears – current year	343		6,505	
Rates paid in advance	(1,936)		(2,017)	
		<u>(1,593)</u>		<u>4,488</u>
		<u><u>1,202,702</u></u>		<u><u>1,076,007</u></u>
		2022		2021
		£		£
General rates levied for the year		1,246,198		1,121,213
Less: Discounts, exempt/uninhabitable properties and refunds		<u>(48,864)</u>		<u>(42,002)</u>
Per Comprehensive Income and Expenditure Statement		<u><u>1,197,334</u></u>		<u><u>1,079,211</u></u>

The Parish Commissioners of Braddan

Notes to the statement of accounts (continued)

8. Housing revenue income and expenditure

	2022	2021
	£	£
Income		
Dwelling rents	780,658	737,298
Housing deficiency receivable	115,186	90,398
Other income	113,731	102,576
Cronkbourne rent income	–	8,711
	<u> </u>	<u> </u>
Total income	1,009,575	938,983
Expenditure		
Repairs and maintenance	(120,073)	(133,072)
Supervision and management	(43,370)	(40,684)
Rents, rates and other charges	(113,731)	(102,576)
Depreciation and impairment charges	(1,395,121)	(280,649)
Cronkbourne rent payable	–	(12,079)
Bad Debt provision	(1,500)	–
	<u> </u>	<u> </u>
	(1,673,795)	(569,060)
	<u> </u>	<u> </u>
Net cost of housing services	(664,220)	369,923
	<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 2.28% of the rental debit for the year (2021: 3.74%).

Rent arrears

	2022	2021
Rent arrears	2,101	2,655
Rent arrears as a percentage of gross rent income	0.23%	0.23%
	<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:

	2022	2021
	£	£
Opening balance due	(117,086)	(9,529)
Charges to Deficiency Grant	115,186	90,398
Payments received from Department of Infrastructure	(106,155)	(197,955)
	<u> </u>	<u> </u>
Closing balance due	(108,055)	(117,086)
	<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 £113,731 (2021: £102,576) 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.

Housing Fixed assets

Authority dwellings are valued on a basis that reflects their use for social housing. The vacant possession value of the dwellings at Mullen Doway at 31st March 2022 was £4,000,000 compared to the balance sheet value of £5,112,878. The difference in value represents the economic cost to the authority of providing social housing at less than open market rents.

The completion of the development of Mullen Doway has resulted in a transfer of expenditure from Assets Under Construction to the Operational Assets Dwellings totalling £5,112,878.

9. Employee remuneration

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

	2022 Number of employees	2021 Number of employees
Remuneration band		
£50,000 – £74,999	2	2

Key management compensation

The total key management personnel compensation was £171,238 (2021: £167,679) including employers pension contributions.

Members' allowances

During the year the Authority paid £7,576 to its members in respect of their attendance at meetings, undertaking duties and responsibilities (2021: £6,984).

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.

The Parish Commissioners of Braddan

Notes to the statement of accounts (continued)

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 £248,091 (2021: £234,142) was invoiced by the DOI and charges of £37,767 (2021: £42,467) were issued to them. At the year end, an amount of £173 was due (2021: £139) 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 £170,418 (2021: £57,959) was invoiced, and at the year end an amount of £14 (2021: £1) was due to them.

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 £2,396 (2021: £2,578) was invoiced by Isle of Man Post Office and charges of £6,537 (2021: £7,110) were issued to them. At the year end, a balance of £1,660 (2021: £2,130) 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 £184,329 (2021: £173,053) was invoiced, and at the year end, an amount of £10,326 (2021: £7,524) 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 Quayle has an interest in Manx Independent Carriers Limited. During the year an amount of £0 (2021: £Nil) was invoiced by Manx Independent Carriers Limited and charges of £4,491 (2021: £4,192) were issued to them. At the year end, a balance of £1,717 (2021: £1,474) was due from Manx Independent Carriers.

The Parish Commissioners of Braddan

Notes to the statement of accounts (continued)

11. Cash flow statement – operating activities

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

	2022	2021
	£	£
Depreciation, impairment and revaluation losses for non-current assets	1,487,200	373,790
Increase/(decrease) in creditors	23,316	(26,489)
(Increase)/decrease in debtors	(27,730)	136,851
(Increase)/decrease in stock	(4,580)	2,911
Difference between FRS102 pension cost and contributions paid	309,000	(516,000)
	<u>1,787,206</u>	<u>(28,937)</u>

12. Cash flow statement – investing activities

	2022	2021
	£	£
Purchase of assets (Fixed assets, intangible assets)	(3,315,607)	(1,808,105)
Other payments for investing activities	(2,755)	(8,323)
Receipts from short-term and long-term investments	5,129	8,663
	<u>(3,513,233)</u>	<u>(1,807,765)</u>

13. Cash flow statement – financing activities

	2022	2021
	£	£
New loan borrowings	4,291,591	1,731,147
Repayments of short-term and long-term borrowing	(436,303)	(339,700)
Loan interest paid	387,848	387,395
	<u>4,243,136</u>	<u>1,778,842</u>

14. Audit fees

During the year the Authority incurred external audit fees of £8,950 (2021: £8,950).

15. Total rateable value

The total rateable value at the 31st March 2022 was £556,509 (2021: £552,734) and the rates charged for the year were 224p (2021: 203p) in the £.

The Parish Commissioners of Braddan

Notes to the statement of accounts (continued)

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 2022 by independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

	2022	2021
Rate of increase in salaries	4.00%	3.60%
Rate of increase in pensions	3.20%	2.80%
Rate for discounting scheme liabilities	2.60%	2.00%

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:

	2022	2021
	Years	Years
Longevity at the age of 65 for current pensioners		
Men	21.2	21.2
Women	24.2	24.2
Longevity at the age of 65 for future pensioners		
Men	22.6	22.5
Women	25.7	25.6

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Total
	£	£	£
At 1 April 2021	1,763,000	2,894,000	(1,131,000)
Benefits paid	(3,000)	(3,000)	–
Employer contributions	74,000	–	74,000
Current service cost	–	113,000	(113,000)
Interest income/(expense)	36,000	58,000	(22,000)
Actuarial losses	–	(123,000)	123,000
Return on plan assets excluding interest income	121,000	–	121,000
Administration expenses	(4,000)	–	(4,000)
At 31 March 2022	1,987,000	2,939,000	(952,000)

The Parish Commissioners of Braddan

Notes to the statement of accounts (continued)

Total cost recognised as an expense:

	2022	2021
	£	£
Current service cost	39,000	4,000
Interest cost	22,000	12,000
	<u>61,000</u>	<u>16,000</u>

No amounts were included in the cost of assets (2021: £nil).

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

	2022	2021
	%	%
Equity instruments	50%	54%
Bonds	35%	32%
Property	15%	14%
Cash	0%	0%

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

	2022	2021
	£	£
Interest income	36,000	35,000
Return on plan assets less interest income	(3,000)	(3,000)
	<u>33,000</u>	<u>32,000</u>

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:

	2022	2021
	£	£
Housing	<u>73,569</u>	<u>1,061,114</u>
General	<u>4,783,404</u>	<u>—</u>

2022 capital commitments for housing cover the retention on the construction of 30 Apartments at Snugborough Farm Site, Union Mills, and associated fees which was completed in January 2022. The capital commitments for general cover the construction of the Strang Corner Community Centre. The development is due to be completed in April 2023, the projected expenditure will be spread over the forthcoming financial years as follows:

Year ending March 2023	2,999,400
Year ending March 2024	<u>1,857,573</u>
	<u>4,856,973</u>

The Parish Commissioners of Braddan

Detailed Income and Expenditure Account

for the year ended 31 March 2022

	2022 £	2022 £	2021 £	2021 £
Finance and general purposes				
Salaries	309,456		298,229	
Pension costs	73,737		70,951	
Community warden expenses	2,588		1,325	
Administration costs	5,753		5,440	
Printing and stationery	3,288		3,222	
Telephone	4,807		4,643	
Advertising	4,722		1,752	
Establishment	23,356		21,239	
Audit and accountancy	22,786		22,993	
Bank charges	6,006		5,709	
Sundry expenses	275		(47)	
IT maintenance	14,607		25,106	
Attendance and travelling allowances	7,576		6,984	
Legal and professional fees	1,761		4,557	
Depreciation	47,810		49,037	
Rates surfeit	(1,062)		4,083	
Bad debt provisions	239		-	
	<hr/>		<hr/>	
Less:		(527,705)		(525,223)
Administration allowance	43,370		40,684	
Housing management fee DOI	11,100		11,100	
Search fees	8,820		8,145	
Discounts received	4,761		4,792	
Fines	-		50	
Street trader licence fees	250		350	
Flat registration fees	600		-	
	<hr/>		<hr/>	65,121
		68,901		
		<hr/>		
		(458,804)		(460,102)
		<hr/> <hr/>		<hr/> <hr/>
Property and Playgrounds				
Hall repairs and expenses	7,433		2,658	
Depreciation	14,569		14,154	
	<hr/>	(22,002)	<hr/>	(16,812)
Less:				
Hall hire and property rental	13,225		11,374	
	<hr/>	13,225	<hr/>	11,374
		<hr/>		
		(8,777)		(5,438)
		<hr/> <hr/>		<hr/> <hr/>

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The Parish Commissioners of Braddan

Detailed Income and Expenditure Account (continued)

for the year ended 31 March 2022

	2022 £	2022 £	2021 £	2021 £
Works and development				
Car park	–		2,391	
Street lighting	59,278		40,488	
Street and gulley cleaning	22,580		33,931	
Hedges, verges and weed cutting	9,339		36,465	
Depreciation	29,700		29,950	
		<u>(120,897)</u>		<u>(143,225)</u>
Parks and Leisure				
<i>Leisure</i>				
Community celebrations	800		2,283	
		<u>(800)</u>		<u>(2,283)</u>
<i>Library</i>				
Books and newspapers	1,000		1,000	
		<u>(1,000)</u>		<u>(1,000)</u>
<i>Parks, glens, open spaces</i>				
Environmental amenities	75,274		75,548	
		<u>(75,274)</u>		<u>(75,548)</u>
		<u>(77,074)</u>		<u>(78,831)</u>
Less:				
Community Celebration sponsorship	468		–	
		<u>468</u>		<u>–</u>
		<u>(76,606)</u>		<u>(78,831)</u>
Refuse disposal				
Refuse collection charge	132,876		129,251	
Litter	17,729		19,896	
Civic amenity	94,085		87,279	
Waste disposal	192,349		183,602	
Kerbside collection	37,139		31,911	
		<u>(474,178)</u>		<u>(451,939)</u>
Less:				
Collection charges	133,600		118,539	
		<u>133,600</u>		<u>118,539</u>
		<u>(340,578)</u>		<u>(333,400)</u>

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