



**Isle of Man
Government**

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Proposals for Local Government Financial Reporting Requirements 2017

The Treasury
Yn Tashtey

Consultation Paper

October 2017

The information in this consultation paper can be provided in large print on request.

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1. Introduction

1.1 Background

1.1.1 The scope of the external audit and financial reporting requirements for the Local Government sector on the Island are determined by the Audit Act 2006 ¹(‘the Act’) and subsequent directions and regulations.

1.1.2 There are currently 50 individual local government bodies required to be audited/inspected in accordance with the Act and these include Local Authorities, Civic Amenity Sites, Swimming Pool Boards, Housing Committees/Authorities and Burial Ground Authorities.

1.1.3 Under the current regulatory framework all of these bodies are required to prepare their financial statements in accordance with the Accounts and Audit Regulations 2013.

1.1.4 Treasury has established the Audit (Consultative) Committee as a consultative body in accordance with section 18 of the Act. The Committee is chaired by a political member of the Treasury and has senior officer representation from the Treasury; the Department of Infrastructure (who has statutory roles in the oversight of Local Government) and is also attended by both the external auditors for central Government and the Local Government.

1.2 Applicability of the Audit Act 2006 to Local Government sector

1.2.1 The scope of the applicability of the Audit Act 2006 is defined at section 1(1):

1 Bodies subject to audit under this Act

- (1) Subject to subsection (2), the accounts of the following bodies shall be audited in accordance with this Act –
 - (a) every Department;
 - (b) every Statutory Board;
 - (c) every local authority;
 - (d) every body established by or under any statutory provision and consisting of or including persons appointed by one or more bodies referred to in paragraphs (a), (b), and (c);
 - (e) every company, more than half of the equity share capital of which is beneficially owned by one or more Departments or Statutory Boards or is otherwise held by or in trust for the Government, and which is not liable to comply with section 109(3) (filing of accounts) of the *Companies Act 1931*;
 - (f) every company which is a subsidiary of a body referred to in paragraph (e);
 - (g) every office or department of the Government or the Legislature;
 - (h) any other body to which the Treasury by order direct that this subsection shall apply; and
 - (i) any other body whose accounts are directed by any statutory provision other than this Act to be audited in accordance with this Act.

¹ https://legislation.gov.im/cms/images/LEGISLATION/PRINCIPAL/2006/2006-0015/AuditAct2006_4.pdf

1.3 Reason for these proposals

1.3.1 Since the introduction of the Accounts & Audit Regulations 2013 and in particular the Isle of Man *Statement of Recommended Practice 2007: Accounting for entities subject to the Audit Act 2006* (the SORP) the regulatory accounting framework applicable both in the UK and internationally has changed significantly.

1.3.2 There is a growing risk of increasing ambiguity in relation to certain accounting treatments and of the existing financial reporting requirements falling behind internationally accepted best practice. The SORP in particular is in need of fundamental review and replacement.

1.3.3 Consequently the Treasury's *Audit (Consultative) Committee* has undertaken a review of the existing regulations and SORP and is now proposing to amend the financial reporting requirements applicable to the sector as outlined below.

1.3.4 It is proposed that these proposals would be implemented via a new set of Accounts & Audit Regulations to come into effect for reporting periods commencing on or after 1st April 2017.

1.4 Objectives of this consultation

1.4.1 To inform Local Government bodies and other interested stakeholders of the proposed introduction of new financial reporting requirements for the sector.

1.4.2 To seek the views of all stakeholders and request feedback on the proposals.

2. Local Government Financial Reporting Proposals

2.1 Financial Reporting Framework: Presentation & Comparability

2.1.1 The existing Accounts and Audit Regulations 2013 (as amended) effectively adopt a two tier approach to the format of accounts published by Local Government bodies based upon their gross income/expenditure:

- Gross income/expenditure >£40,000: in accordance with Regulation 9 (and the SORP);
- Gross income/expenditure <£40,000: an income and expenditure account and statement of balances in accordance with Regulation 10.

2.1.2 Treasury notes that, in relation to the Audit Act, the Local Government sector comprises of either:

- Local Authorities or other bodies made up of representatives of Local Authorities; or
- Burial Ground Authorities:

Type of Body	Relevant Provision in the Act	No.
Local Authorities	Section 1(1)(c)	22
Housing Committees	Section 1(1)(d)	4
Civic Amenity Related	Section 1(1)(d)	4
Swimming Pool Boards	Section 1(1)(d)	3
Burial Ground Authorities	Section 1(1)(i)	17
	Total	50

2.1.3 Treasury also notes that:

- currently the only Local Government bodies that present their accounts under Regulation 10 (i.e. <£40,000) are Burial Ground Authorities;
- no Burial Ground Authority currently has an annual gross income or expenditure of more than £150,000 per annum.

Summary of Proposal

Treasury is of the opinion that a more appropriate approach to defining financial reporting for the sector would be to adopt different requirements for:

- **Burial Ground Authorities;**
- **All other Local Government Bodies;**

and that this approach would improve the presentation of financial information and comparability of financial statements within the sector.

Question 1: Financial Reporting Framework: Presentation & Comparability

Do you agree that a more appropriate approach to defining financial reporting for the sector would be by organisation type as opposed to financial thresholds e.g. Burial Ground Authorities vs. All other Local Government Bodies?

2.2 Financial Reporting Framework: Updating & Simplification of SORP for all Local Government Bodies

2.2.1 Under the current statutory framework the applicable regulations covering financial reporting made under Section 12 of the Act are the *Accounts and Audit Regulations 2013*² as amended by the *Accounts and Audit (Amendment) Regulations 2016*.

2.2.2 The 2013 regulations require relevant bodies to also ensure that their financial statements are prepared under 'proper practices' which includes the Statement of Recommended Practice (the SORP) issued by the Treasury³.

2.2.3 The current SORP was issued in 2007 and was based upon the UK equivalent SORP as issued by the Chartered Institute of Public Finance Accountants (CIPFA).

2.2.4 Consequently, key elements of the financial reporting framework applicable to the sector has not been amended since the introduction of the Act.

2.2.5 Since 2010 Large Local Councils in England & Wales (those with turnover greater than £1m) are no longer required to produce their financial statements in accordance with the SORP issued by CIPFA.

2.2.6 The Financial Reporting Council (the body in the UK with overarching responsibility for the establishment of financial reporting standards) has recently revised the accounting standards applicable in the UK (FRS 102 in particular refers).

2.2.7 In light of the changes that have been implemented in both the UK (and also in International accounting frameworks), Treasury is of the view that the 2007 IOM SORP is now due to be reviewed and updated. It is also of the view that in consideration of the overall financial reporting risks within the sector, there is an opportunity to reduce/simplify some of the existing financial reporting requirements for all Local Government bodies and proposes that the SORP is replaced with the requirements detailed at Appendix 1.

Summary

Having reviewed the existing SORP Treasury proposes to replace it for all Local Government bodies (except Burial Ground Authorities) with the summary requirements outlined at Appendix 1 Paragraph 3.2. These summary requirements will also be supplemented by a Financial Statements template.

Question 2 – Updating & Simplification of SORP for all Local Government Bodies

- (i) Do you agree that the existing SORP should be replaced and simplified?
- (ii) Are there any amendments that think Treasury should consider in relation to the proposed requirements at Appendix 1 as to how they would apply to general Local Government bodies (i.e. non-Burial Ground Authorities)?

² <http://www.tynwald.org.im/links/tls/SD/2013/2013-SD-0026.pdf>

³ <http://www.tynwald.org.im/links/tls/SD/2007/2007-SD-0815.pdf>

2.3 Financial Statements Template for all Local Government Bodies except Burial Ground Authorities

2.3.1 Treasury is of the view that the financial reporting requirements for all Local Government Bodies except Burial Ground Authorities should be based upon the Financial Statements template included at Appendix 2.

Summary

Treasury proposes to introduce the Financial Statements Template at Appendix 2 for all Local Government bodies except Burial Ground Authorities.

Question 3 – Financial Statements Template for all Local Government Bodies except Burial Ground Authorities:

Are there any amendments that you think Treasury should consider in relation to the proposed Financial Statements template at Appendix 2?

2.4 Financial Statements Template for Burial Ground Authorities

2.4.1 Treasury is of the view that the financial reporting requirements for Burial Ground Authorities should be based upon the Financial Statements template included at Appendix 3.

Summary

Treasury proposes to introduce the Financial Statements Template at Appendix 3 for Burial Ground Authorities.

Question 4 – Financial Statements Template for Burial Ground Authorities

Are there any amendments that think Treasury should consider in relation to the proposed Financial Statements template at Appendix 3?

2.5 New Accounts & Audit Regulations Implementation Date

2.5.1 It is Treasury's intention to introduce the intended changes for financial statements with year ended 31st March 2018 as they would not appear to impact upon underlying Accounting Systems within relevant bodies.

Summary

Treasury proposes to introduce the new requirements for accounts with year ended 31st March 2018.

Question 5 – New Accounts & Audit Regulations Implementation Date

Would implementing the new requirements for 31st March 2018 financial statements create any significant difficulties for you?

2.6 Internal Audit Requirements

2.6.1 Treasury has noted that the financial threshold for the requirement for a Local Government body to maintain a system of internal audit has remained at £200,000 gross income/ expenditure for some time.

Summary

Treasury is considering amending the financial threshold above which a system of internal audit is required.

Question 6 – Internal Audit Requirements

What gross income/expenditure threshold do you think would be the most appropriate at which a Local Government body must maintain a system of internal audit?

2.7 Other Amendments to the Regulations

2.7.1 Treasury is open to suggestions for any further appropriate amendments to the Accounts and Audit Regulations 2013 (as amended).

Summary

Other Amendments.

Question 7 – Other amendments to the regulations

Are there any further amendments that you would consider it appropriate for Treasury to consider whilst progressing revised Accounts and Audit Regulations?

3. APPENDIX 1: Replacement for SORP

3.1 Summary of Proposed Changes

The revised draft Financial Statement template incorporates amendments to ensure compliance with FRS102 together with other changes designed to streamline the Financial Statements with the aim to make them more relevant for users. A summary of key changes from the previously issued SORP Financial Statements is set out below:

1 Explanatory foreword

This free form report will include entity specific information about the authority, its board, an overview of financial results and position, and any additional financial analysis or commentary as may be appropriate.

2 Comprehensive Income and Expenditure Statement

This combines the Income & Expenditure account and the Statement of Total Recognised Gains and Losses in a single performance statement.

3 Statement of Movement on Reserves

This is a single statement summarising all movements on an authority's reserves.

4 Notes to the accounts

There are new notes which contain information previously presented in primary statements being the detailed analysis and reconciliation of the rate fund / funds and further analysis of the components of housing income and expenditure.

5 FRS 102 transition matters

FRS 102 introduces changes in the accounting in four specific areas which may be relevant to Local Authorities. These require restatement of comparatives and any such changes are summarised in a transition note in the first year of the new framework. The relevant areas are:

(a) Holiday pay accrual

FRS 102 requires all employee benefits to be recognised in the Comprehensive Income and Expenditure Statement when earned. The main effect of this is that accruals are required for any unused holiday at a year end.

(b) Defined benefit pension scheme

There is a change to the method of calculation of the pension charge to the Comprehensive Income and Expenditure Statement. There is no change to the calculation of the overall liability.

(c) Lease incentives

Under the SORP operating lease incentives, including rent free periods and fit-out contributions, were spread over the shorter of the lease period or the period to when the rental was set to a fair market rent. FRS 102 requires that such incentives to be spread over the lease period. There is an exemption for existing leases at transition.

(d) Intangible assets

APPENDIX 1: Replacement for SORP

FRS 102 requires computer software to be separately classified as an intangible asset. Authorities may have capitalised software costs within tangible assets and this will require amendment.

6 Cash flow statement

A cash flow statement is no longer required for entities outside the statutory audit regime.

3.2 Proposed Statutory Requirements

Introduction

This schedule sets out additional disclosures required for Local Authority Financial Statements together with guidance for specific areas where FRS 102 does not directly apply, and where additional specific accounting guidance is considered best practice for this sector.

1 Additional disclosures

In addition to the requirements of FRS 102 the following disclosures should be included in Local Authority Financial Statements (where relevant):

(a) Explanatory foreword

Include a narrative report with the aim of providing context to the accounts.

Report could include:

- an introduction to the authority, office address, the parish / village / town / district / body
- an outline of the authority's objectives
- the structure of the authority, board members, roles and responsibilities, corporate governance
- a summary of the authority's overall performance and an overview of the significant factors that affected it during the year
- an overview of the authority's finances for the year with a more detailed look at the significant Balance Sheet items
- a summary of significant achievements during the year
- findings of Internal Audit where applicable
- an analysis of issues that are likely to shape future performance.

(b) Fixed assets

Information on tangible fixed assets held, appropriately classified to provide a straightforward but informative picture of the tangible fixed assets of the body. This should include a description of community assets not already accounted for within the balance sheet.

(c) Rate fund(s)

APPENDIX 1: Replacement for SORP

This note shows the transactions of a rating body and illustrates the way in which these have been distributed to the General Fund and other relevant Funds.

(d) Rateable value and rate set by the authority

The total rateable value at the year-end and the rate multiplier for the year.

(e) Housing revenue income and expenditure

Which shows in more detail the income and expenditure on housing services included in the Comprehensive Income and Expenditure Statement. Set out by source of funds.

(f) Analysis of voids and rent arrears

Total voids and rent arrears, to include presentation as a proportion of gross rent receivable

2 Presentation of information in the Comprehensive Income and Expenditure Statement

There are two areas where the recommended presentation in the Comprehensive Income and Expenditure Statement is inconsistent with the requirements of FRS 102.

(a) Presentation of turnover

FRS 102 requires the presentation of "turnover" on the face of an income statement. In the context of Local Authority financial reporting a more appropriate method of reporting income is to present revenue separately by service line.

(b) Disclosure of material items

FRS 102 requires separate disclosure of individually material items of income and expenditure. In the context of public sector financial reporting a more appropriate method of reporting is to present income and expenditure separately by service line with no requirement to disclose individually material items, unless necessary to properly understand the financial position of the body.

3 Unusable reserves

There are three specific unusable reserves typically reported in Local Authority financial statements:

(a) Revaluation reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment, and Investment Properties. The balance is reduced when assets with accumulated gains are:

APPENDIX 1: Replacement for SORP

- (i) revalued downwards or impaired and the gains are lost
- (ii) used in the provision of services and the gains are consumed through depreciation, or
- (iii) disposed of and the gains are realised.

(b) Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets.

(c) Pension reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding those benefits. The Authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

4 Non-current assets

(a) Definitions:

Class of property, plant and equipment is a grouping of assets of a similar nature and use in an authority's operations. The following classes of property, plant and equipment are used:

Operational assets:

- Social housing (and associated land).
- Other land and buildings.
- Vehicles, plant, furniture and equipment.
- Infrastructure assets (inalienable assets, expenditure on which is only recoverable by continued use of the asset created, ie there is no prospect of sale or alternative use; examples include highways, structural maintenance of highways, footpaths, bridges, streetlights, permanent ways, coastal defences, water supply and drainage systems).
- Community assets (ie assets that an authority intends to hold in perpetuity, that have no determinable useful life and which may, in addition, have restrictions on their disposal).

Non-operational assets:

APPENDIX 1: Replacement for SORP

- Surplus assets, i.e. assets that are not being used to deliver services, but which do not meet the criteria to be classified as investment properties.
- Assets under construction.

Current value measurements reflect the economic environment prevailing for the service or function the asset is supporting at the reporting date. The current value measurement bases include:

- Existing Use Value defined in accordance with UKVS 1.3 Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards (RICS, January 2014) for assets providing service potential to the authority where an active market exists
- Existing Use Value – Social Housing (EUV–SH) as defined in the RICS Valuation – Professional Standards for operational social housing.
- Depreciated Replacement Cost (DRC) for assets where there is no market and/or the asset is specialised.
- Fair Value for investment properties and surplus assets.

Existing Use Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the asset required by the business, and disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost.

Existing Use Value–Social Housing (EUV–SH) is the estimated amount for which a property should exchange, on the date of valuation, between a willing buyer and a willing seller, in an arm’s-length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion, subject to the following further assumptions that:

- the property will continue to be let by a body and used for social housing
- at the valuation date, any regulatory body, in applying its criteria for approval, would not unreasonably fetter the vendor’s ability to dispose of the property to organisations intending to manage their housing stock in accordance with that regulatory body’s requirements
- properties temporarily vacant pending re-letting should be valued, if there is a letting demand, on the basis that the prospective purchaser intends to re-let them, rather than with vacant possession
- any subsequent sale would be subject to all of the above assumptions.

Depreciated Replacement Cost (DRC) is a method of valuation which provides the current cost of replacing an asset with its modern equivalent asset less deductions for all physical deterioration and all relevant forms of obsolescence and optimisation.

APPENDIX 1: Replacement for SORP

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Historical cost is deemed to be the carrying amount of an asset as at the date of acquisition, and adjusted for subsequent depreciation or impairment (if applicable).

(b) Non-current assets - measurement after initial recognition

Public sector specific considerations regarding measurement after initial recognition are set out below:

- (i) Infrastructure and assets under construction (excluding investment property) shall be measured at depreciated historical cost. An authority may measure community assets at either valuation or historical cost.
- (ii) All other classes of asset shall be measured at current value. For operational assets where there is an active market, this shall be existing use value in accordance with the RICS definitions. If there is no market-based evidence of current value because of the specialist nature of the asset and/or the asset is rarely sold, authorities may need to estimate current value using a DRC approach. The current value of social housing shall be measured using EUV-SH. EUV-SH and DRC are methods of valuation that are based on current value with additional special assumptions for each of the respective methods. Surplus assets and investment properties shall be measured at fair value.
- (iii) Authorities may elect to adopt a depreciated historical cost basis as a proxy for current value for non-property assets that have short useful lives or low values (or both).
- (iv) Classes of assets whose current value can be measured reliably shall be carried at a revalued amount, being its current value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment. When an asset is revalued, any accumulated depreciation and impairment at the date of valuation shall be eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.
- (v) Where the carrying amount of property, plant and equipment is increased as a result of a revaluation, the increase shall be recognised in the Revaluation Reserve, unless the increase is reversing a previous impairment loss charged to Surplus or Deficit on the Provision of Services on the same asset or reversing a previous revaluation decrease charged to Surplus or Deficit on the Provision of Services on the same asset.
- (vi) A revaluation gain shall be used to reverse a previous revaluation decrease recognised in Surplus or Deficit on the Provision of Services on the same asset. In the same way as the treatment of a reversal of a previous impairment loss, the reversal of a revaluation decrease previously recognised in Surplus or Deficit on the Provision of Services shall not exceed the increase that would reinstate the carrying amount

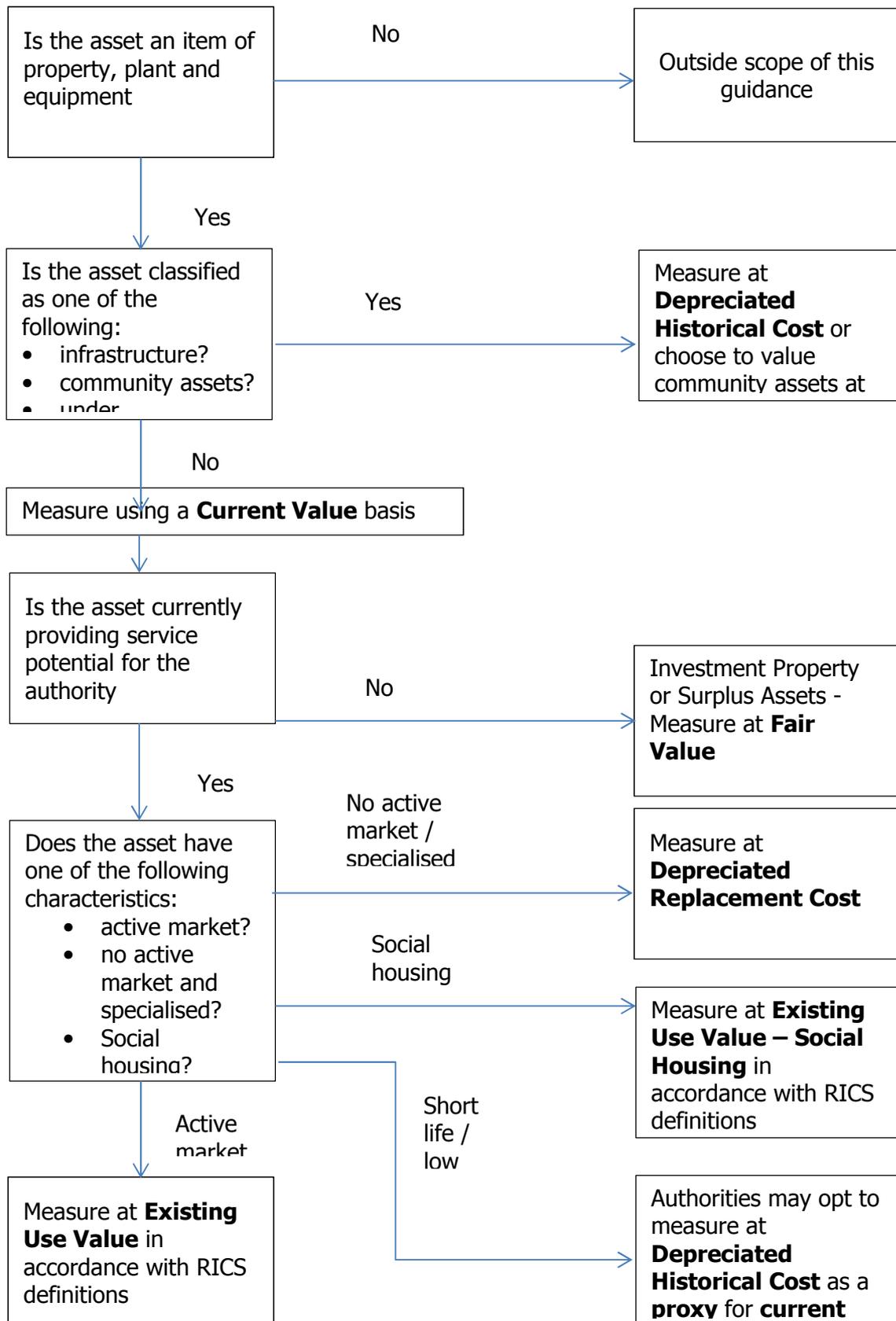
APPENDIX 1: Replacement for SORP

that would have been determined (net of amortisation or depreciation) had no revaluation decrease been recognised for the asset in prior years. Any excess above the carrying amount that would have been determined (net of amortisation or depreciation) had no revaluation decrease been recognised for the asset in prior years shall be treated as a revaluation gain and credited to the Revaluation Reserve.

- (vii) Where the carrying amount of an item of property, plant and equipment is decreased as a result of a revaluation (as opposed to an impairment which is covered in section 4(d)), the decrease shall be recognised in the Revaluation Reserve up to the credit balance existing in respect of the asset (ie up to its depreciated historical cost) and thereafter in Surplus or Deficit on the Provision of Services.
- (viii) Where assets are revalued (ie the carrying amount is based on current value), revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using the current value at the end of the reporting period.
- (ix) The items within a class of property, plant and equipment are revalued simultaneously to avoid selective revaluation of assets and the reporting of amounts in the financial statements that are a mixture of costs and values as at different dates. However, a class of assets may be revalued on a rolling basis provided revaluation of the class of assets is completed within a short period and provided the revaluations are kept up to date
- (x) Valuations shall be carried out at intervals of no more than five years.
- (xi) The current value of land and buildings is usually determined by appraisal of appropriate evidence that is normally undertaken by professionally qualified valuers.
- (xii) Revaluation gains or losses charged to Surplus or Deficit on the Provision of Services are not considered proper charges to the General Fund. Such amounts shall be transferred to the Capital Adjustment Account and reported in the Movement in Reserves Statement.

APPENDIX 1: Replacement for SORP

Measurement Decision for an Item of Property, Plant and Equipment



APPENDIX 1: Replacement for SORP

(c) Depreciation of non-current assets

Public sector specific considerations concerning depreciation of non-current assets:

- (i) Land and buildings are separate assets and shall be accounted for separately, even when they are acquired together. Depreciation applies to all property, plant and equipment, whether held at historical cost or revalued amount, with two exceptions:
 - (1) *land where it can be demonstrated that the asset has an unlimited useful life (excluding land subject to depletion, ie quarries and landfill sites), and*
 - (2) *community assets that have an indefinite life.*
- (ii) Depreciation charged to Surplus or Deficit on the Provision of Services is not considered a proper charge to the General Fund. Such amounts shall be transferred to the Capital Adjustment Account and reported in the Movement in Reserves Statement.
- (iii) On a revalued asset, a transfer between the Revaluation Reserve and Capital Adjustment Account shall be carried out which represents the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's historical cost.

(d) Impairment of non-current assets

- (i) When to assess for impairment

At the end of each reporting period an assessment shall take place as to whether there is any indication that an asset may be impaired. If any indication exists, the recoverable amount shall be estimated. If, and only if, the recoverable amount of an asset is less than its carrying amount, the entity shall reduce the carrying amount of the asset to its recoverable amount. That reduction is an impairment loss.

- (ii) Examples of impairments

In the context of the public sector, examples of events and changes in circumstances that indicate an impairment may have occurred include (this list is not intended to be exhaustive):

- *a significant decline (ie more than expected as a result of the passage of time or normal use) in an asset's carrying amount during the period, that is specific to the asset*
- *evidence of obsolescence or physical damage of an asset*
- *a commitment by the authority to undertake a significant reorganisation, and*
- *a significant adverse change in the statutory or other regulatory environment in which the authority operates.*

If there is an indication that an asset may be impaired, this could indicate that the useful life, the depreciation method or the residual value need to be reviewed, even if no impairment loss is recognised.

Downward revaluations resulting from changes in market value do not necessarily result in impairment (see section 4(b) in relation to revaluation losses).

APPENDIX 1: Replacement for SORP

(iii) Recognition

An impairment loss on a revalued asset shall be recognised in the Revaluation Reserve to the extent that the impairment does not exceed the amount in the Revaluation Reserve for the same asset (ie up to the historical cost of the asset) and thereafter in Surplus or Deficit on the Provision of Services.

An impairment loss on a non-revalued asset (ie an asset with a carrying value based on historical cost) shall be recognised in Surplus or Deficit on the Provision of Services.

(iv) Reversing an impairment

At the end of each reporting period an assessment shall take place as to whether there is any indication that an impairment loss recognised in earlier periods for an asset may no longer exist or have decreased. If any such indication exists, authorities shall estimate the recoverable amount of that asset.

The reversal of an impairment loss of an asset (previously recognised in Surplus or Deficit on the Provision of Services) is only permitted to be recognised if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Indications of the potential decrease of an impairment loss mainly mirror (but are not limited to) the indications of a potential impairment loss set out above.

If there is an indication that the impairment loss recognised for an asset may no longer exist or may have decreased, this may indicate that the useful life, the depreciation method or the residual value need to be reviewed, even if no impairment loss is reversed for the asset.

(v) Interaction with Capital Adjustment Account

Impairment loss and reversal of impairment loss charged to Surplus or Deficit on the Provision of Services are not considered proper charges to the General Fund. Such amounts shall be transferred to the Capital Adjustment Account and reported in the Movement in Reserves Statement.

4. APPENDIX 2: Financial Statements Template for General Local Government Bodies (Non-BGAs)

Isle of Man Local Authority

Financial Statements

For the year ended 31 March 20XX

[Accounting policies, primary statement line items, and notes are only required for material areas, tailored to the circumstances of each authority]

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

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APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Explanatory Foreword

[Include a narrative report with the aim of providing context to the accounts. Report could include:

- an introduction to the authority, office address, the parish / village / town / district / body*
- an outline of the authority's objectives*
- the structure of the authority, board members, roles and responsibilities, corporate governance*
- a summary of the authority's overall performance and an overview of the significant factors that affected it during the year*
- an overview of the authority's finances for the year with a more detailed look at the significant Balance Sheet items*
- a summary of significant achievements during the year*
- Findings of Internal Audit where applicable*
- an analysis of issues that are likely to shape future performance]*

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Statement of Accounting Policies

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland [Section 1A]' ('FRS 102'), and with the Audit Act 2006 and the Accounts and Audit Regulations 2017. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain land and buildings as specified in the accounting policies below.

This is the first year in which the financial statements have been prepared under FRS 102 and Accounts and Audit Regulations 2017. Refer to note XX for an explanation of the transition. *[this note is only required in the first year of FRS102 application]*

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

Going concern

After reviewing the budget of the authority, the board have a reasonable expectation that the authority has adequate resources [including the continuation of support from Central Government,] to continue in operational existence for the foreseeable future.

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 unoccupied properties.

(b) Social Housing rentals

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

(c) *[add policies for other material income sources]*

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.

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.

Intangible fixed assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Software costs	X years
[Other intangibles]	X years

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

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Statement of Accounting Policies

Tangible fixed assets

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

a) Recognition

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

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

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

b) Measurement (Valuation Bases)

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

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

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

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

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

(c) Revaluation

Assets included in the Balance Sheet at current value (fair value for Surplus assets) are formally revalued at intervals not exceeding 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, using a professional 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.

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:

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Statement of Accounting Policies

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

d) Impairment

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

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

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

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

(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:	
Freehold buildings	XX years
Plant and machinery	XX years
Furniture and equipment	XX years
Motor vehicles	XX years
[Other tangibles]	XX years
Infrastructure assets	XX years

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

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

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

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Statement of Accounting Policies

(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.

Investment Property

Investment properties are those that are used solely to earn rentals or for capital appreciation purposes. Properties that are used to facilitate the delivery of services are not Investment properties.

Investment properties are measured initially at cost and subsequently at fair value. The assets are not depreciated but are subject to annual revaluation review according to market conditions at the year-end. All valuations are undertaken by a qualified valuer, using a professional valuer. Gains and losses on revaluation and disposal are posted to the Comprehensive Income and Expenditure Statement. These gains and losses are reversed out in the Statement of Movement in Reserves to the Capital Adjustment Account and the Capital Receipts Reserve.

Rentals received in relation to investment properties are credited to the Statement of Comprehensive Income and Expenditure.

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.

Government Grants and Contributions

Government grants and other third party contributions / donations are accounted for on an accruals basis and recognised when the conditions attached to the payments have been met and there is reasonable assurance that they will be received.

a) Revenue Grants

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

b) Capital Grants

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

(c) Housing Deficiency

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

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Statement of Accounting Policies

Leases

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

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

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

Investments

The Authority has representation on, and makes financial contributions to, other bodies/ boards/ committees. Where no dominant or significant influence exists these are treated as investments and measured at the cost of any capital contribution to that body.

Stocks

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

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.

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.

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 2013. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

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

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

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

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

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

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

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

Provisions

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

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

Contingent Liabilities

Contingent liabilities are not recognised in the accounting statements. They are disclosed by way of a note to the accounts if there is a possible obligation to make payments in the future. For each class of contingent liability, where appropriate, the authority discloses the nature of the contingency, a brief description, an estimate of its financial effect, an indication of the uncertainties relating to the amount or timing of any outflow and the possibility of any reimbursement.

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.

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Statement of Accounting Policies

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.

Revenue Funds for Capital Purposes: funds provided from revenue and earmarked for capital expenditure purposes.

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

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

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

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

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Significant Judgements and Estimates

(a) Judgements

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

[Add detail of any significant area of judgement which is relevant, examples include:]

- 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.

[Add detail of any significant estimate which is relevant such as:]

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

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

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;
- 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;
- made judgements and estimates that were reasonable and prudent;

The Responsible Financial Officer has also:

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

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

**Report of the Independent Auditor to the Commissioners of / the
Board of XX for the year ended 31 March 20XX**

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Comprehensive Income and Expenditure Statement for the year ended 31 March 20XX

<i>Notes</i>	Expenditure	Income	20XX	20XX
	£	£	Net	Net
			£	£
Finance and general purposes	X	X	X	X
Property	X	X	X	X
Works and development	X	X	X	X
Parks and leisure	X	X	X	X
Refuse disposal	X	X	X	X
General government grants	X	X	X	X
Net cost of General Fund services	X	X	X	X
Housing services	X	X	X	X
Deficiency receivable	X	X	X	X
Net cost of Housing services	X	X	X	X
Income from the General Rate Fund			X	X
Income from the Refuse/Other Rate Fund			X	X
Interest payable and similar charges			X	X
Surplus/deficit on provision of services			X	X
Other Comprehensive Income and Expenditure				
Surplus/deficit on revaluation of fixed assets			X	X
Remeasurement of net pension liability			X	X
Total comprehensive income and expenditure			X	X

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Statement of Movement on Reserves for the year ended 31 March 20XX

<i>Notes</i>	General fund	Capital adjustment account	Revaluation reserve	Housing revenue reserve	Pensions reserve	Usable capital receipts reserve	Earmarked reserves	Other reserves
	£	£	£	£	£	£	£	£
Total comprehensive income and expenditure	X							
Transfer 1								
Transfer 2								
Transfer 3								
Transfer 4								
Transfer 5								
Transfer 6								
Transfer 7								
Transfer 8								
	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
Balance brought forward	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
Balance carried forward	<u><u>X</u></u>	<u><u>X</u></u>	<u><u>X</u></u>	<u><u>X</u></u>	<u><u>X</u></u>	<u><u>X</u></u>	<u><u>X</u></u>	<u><u>X</u></u>

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Balance Sheet

as at 31 March 20XX

	<i>Notes</i>	20XX	20XX
	£	£	£
Fixed assets			
Intangible assets		X	X
Tangible fixed assets		X	X
Long-term debtors		X	X
		<hr/>	<hr/>
		X	X
Current assets			
Stock	X		X
Debtors	X		X
Cash at bank	X		X
	<hr/>		<hr/>
	X		X
Current liabilities			
Short-term borrowing	X		X
Creditors	X		X
Bank overdraft	X		X
	<hr/>		<hr/>
	X		X
		<hr/>	<hr/>
		X	X
Long-term liabilities			
Long-term borrowing	X		X
Net Pension liabilities	X		X
Other liabilities	X		X
	<hr/>		<hr/>
		X	X
Total assets less liabilities		<hr/> X <hr/>	<hr/> X <hr/>
Reserves:			
General fund		X	X
Capital adjustment account		X	X
Revaluation reserve		X	X
Housing revenue reserve		X	X
Pension reserve		X	X
Earmarked reserves		X	X
Housing revenue reserve		X	X
Usable capital receipts reserve		X	X
		<hr/>	<hr/>
		X	X
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Authority on and were signed on their behalf by:

Chairman

RFO

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Cash Flow Statement

for the year ended 31 March 20XX

	<i>Notes</i>	20XX	20XX
		£	£
Net (surplus) / deficit on provision of services		X	X
		X	X
Adjustments to net (surplus) / deficit on provision of services for non-cash movements (Note XX)			
		X	X
Adjustments for items included in net (surplus) / deficit on provision of services that are investing and financing activities			
Net cash flows from Operating Activities		X	X
Net cash flows from Investing Activities (Note XX)		X	X
Net cash flows from Financing Activities (Note XX)		X	X
Net (increase) or decrease in cash and cash equivalents		X	X
Cash & cash equivalents at the beginning of the reporting period		X	X
Cash & cash equivalents at the end of the reporting period		X	X

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Notes to the financial statements

Tangible fixed assets

<i>Operational assets</i>	Dwellings		Other land and buildings	Vehicles, plant and equipment	Infrastructure	Community assets		Total
	£	£		t £		£	£	£
Cost or valuation								
At 31 March 20XX	X		X	X	X		X	X
Additions in the year	X		X	X	X		X	X
Disposals in the year	X		X	X	X		X	X
Revaluations	X		X	X	X		X	X
Transfers	X		X	X	X		X	X
Impairments	X		X	X	X		X	X
At 31 March 20XX	X		X	X	X		X	X
Depreciation								
At 31 March 20XX	X		X	X	X		X	X
Charge for the year	X		X	X	X		X	X
Disposals in the year	X		X	X	X		X	X
Transfers	X		X	X	X		X	X
At 31 March 20XX	X		X	X	X		X	X
Net book value								
At 31 March 20XX	X		X	X	X		X	X
At 31 March 20XX	X		X	X	X		X	X

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Notes to the financial statements

<i>Non-Operational assets</i>	Surplus properties	Assets under construction	Investment Properties	Total
	£	£	£	£
Cost or valuation				
At 31 March 20XX	X	X	X	X
Additions in the year	X	X	X	X
Disposals in the year	X	X	X	X
Impairments	X	X	X	X
At 31 March 20XX	X	X	X	X
Depreciation				
At 31 March 20XX	X	X	X	X
Charge for the year	X	X	X	X
Disposals in the year	X	X	X	X
At 31 March 20XX	X	X	X	X
Net book value				
At 31 March 20XX	X	X	X	X
At 31 March 20XX	X	X	X	X

Valuation of fixed assets

The Authority plans to revalue its fixed assets every [five] years. Valuations have been carried out by < valuer>. *[Disclose valuers credentials, methods and significant assumptions adopted in the valuation, the date of the valuation]*

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Notes to the financial statements

Assets held

	Number at 31 March 20XX	Changes In year	Number at 31 March 20XX
Operational assets			
Dwellings:			
Standard dwellings	X	X	X
Sheltered accommodation	X	X	X
Other Land and Buildings:			
Car parks	X	X	X
Cemeteries	X	X	X
Depots	X	X	X
Public Conveniences	X	X	X
Public Halls	X	X	X
Public Offices	X	X	X
Recreational properties	X	X	X
Sports Centres	X	X	X
Miscellaneous properties	X	X	X
Vehicles, Plant and Equipment:			
Vehicles	X	X	X
Plant and equipment	X	X	X
Infrastructure Assets:			
Street lights	X	X	X
Community Assets:			
Historic properties	X	X	X
Parks and open spaces	X	X	X
Non-Operational assets:			
Commercial properties	X	X	X
Retail properties	X	X	X
Other properties	X	X	X
Agricultural land	X	X	X
Garages	X	X	X

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Notes to the financial statements

Intangible fixed assets

	£
Balance at 1 April 20XX	X
Expenditure in year	X
Disposals in year	X
Transfers	X
Amortisation	X
Impairment	X
	<hr/>
Balance at 31 March 20XX	X
	<hr/> <hr/>

Stocks

	20XX	20XX
	£	£
Stores	X	X
Fuel	X	X
	<hr/>	<hr/>
	X	X
	<hr/> <hr/>	<hr/> <hr/>

The value of stock recognised as an expense in the comprehensive income and expenditure statement was £X (20XX:£X).

Debtors and prepayments

	20XX	20XX
	£	£
Amounts falling due in one year (net of bad debt provisions):	X	X
Government departments	X	X
Public authorities	X	X
Other local authorities	X	X
Ratepayers	X	X
Housing rents	X	X
Sundry debtors	X	X
Prepayments	X	X
	<hr/>	<hr/>
	X	X
	<hr/> <hr/>	<hr/> <hr/>

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

	20XX	20XX
	£	£
Ratepayers	X	X
Housing rents	X	X
Sundry debtors	X	X
	<hr/>	<hr/>
	X	X
	<hr/> <hr/>	<hr/> <hr/>

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Notes to the financial statements

Creditors

	20XX £	20XX £
Central government	X	X
Public authorities	X	X
Ratepayers	X	X
Housing rents	X	X
Sundry creditors	X	X
	<hr/>	<hr/>
	X	X
	<hr/> <hr/>	<hr/> <hr/>

Long term borrowing

Loans outstanding may be analysed as follows:

	20XX £	20XX £
<i>Falling due within one year:</i>		
Commercial loans	X	X
Government loans	X	X
	<hr/>	<hr/>
Total falling due within one year	X	X
	<hr/> <hr/>	<hr/> <hr/>
<i>Falling due after more than one year:</i>		
Commercial loans	X	X
Government loans	X	X
	<hr/>	<hr/>
Total falling due after more than one year	X	X
	<hr/> <hr/>	<hr/> <hr/>
Total loan term borrowing	X	X
	<hr/> <hr/>	<hr/> <hr/>

[Disclose loan details, security etc.]

Operating leases

The following table shows the minimum future rentals receivable for the authority's operating leases where it acts as lessor:

	20XX £	20XX £
Amounts due within one year	X	X
Later than one year and not later than five years	X	X
Later than five years	X	X
	<hr/>	<hr/>
	X	X
	<hr/> <hr/>	<hr/> <hr/>

[Provide a general description of the lessee's significant leasing arrangements including, for example, information about contingent rent, renewal or purchase options and escalation clauses, subleases, and restrictions imposed by the lease arrangement and unique or unusual provisions of lease arrangements or the terms of sale and leaseback transactions.]

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Notes to the financial statements

The following table shows the minimum future rentals payable for the authority's operating leases where it acts as lessee:

	20XX	20XX
	£	£
Amounts due within one year	X	X
Later than one year and not later than five years	X	X
Later than five years	X	X
	<hr/>	<hr/>
	X	X
	<hr/> <hr/>	<hr/> <hr/>

Lease payments recognised as an expense in the comprehensive income and expenditure statement are £XX (20XX: £XX).

Finance leases

Minimum lease payments under finance leases fall due as follows:

	20XX	20XX
	£	£
Amounts due within one year	X	X
Later than one year and not later than five years	X	X
Later than five years	X	X
	<hr/>	<hr/>
	X	X
Less future finance charges	X	X
	<hr/>	<hr/>
Present value of lease obligations	X	X
	<hr/>	<hr/>
Due for settlement within one year	X	X
Due for settlement later than once year and not later than five years	X	X
	<hr/>	<hr/>
Due for settlement later than five years	X	X
	<hr/> <hr/>	<hr/> <hr/>

[Provide a general description of the lessee's significant leasing arrangements including, for example, information about contingent rent, renewal or purchase options and escalation clauses, subleases, and restrictions imposed by the lease arrangement and unique or unusual provisions of lease arrangements or the terms of sale and leaseback transactions.]

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Notes to the financial statements

General Rate Account

	£	20XX £	£	20XX £
General rates levied for the year		X		X
<i>Add:</i>				
Due from Treasury re prior year		X		X
Arrears brought forward		X		X
		<u> </u>		<u> </u>
		X		X
<i>Less:</i>				
Discounts	X		X	
Exempt and unoccupied properties	X		X	
Refunds	X		X	
	<u> </u>		<u> </u>	
		X		X
Total rates collectable		<u> </u>		<u> </u>
		<u> </u>		<u> </u>
		X		X
<i>Rates received in the year:</i>				
Current year rates	X		X	
Arrears collected	X		X	
Balance from Treasury re prior year	X		X	
		<u> </u>		<u> </u>
Total rates received in the year		X		X
Balances outstanding carried forward:				
Due from Treasury re current year				
Arrears – current year	X		X	
– previous years	X		X	
	<u> </u>		<u> </u>	
		X		X
		<u> </u>		<u> </u>
		<u> </u>		<u> </u>
		X		X
		<u> </u>		<u> </u>
		<u> </u>		<u> </u>
		X		X
		<u> </u>		<u> </u>
		<u> </u>		<u> </u>
		X		X
		<u> </u>		<u> </u>
		<u> </u>		<u> </u>
		X		X
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		<u> </u>		<u> </u>
		X		X
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		<u> </u>		<u> </u>
		X		X
		<u> </u>		<u> </u>
		<u> </u>		<u> </u>
		X		X
		<u> </u>		<u> </u>
		<u> </u>		<u> </u>
		X		X
		<u> </u>		<u> </u>
		<u> </u>		<u> </u>
		X		X
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		X		X
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		<u> </u>		<u> </u>
		X		X
		<u> </u>		<u> </u>
		<u> </u>		<u> </u>
		X		X
		<u> </u>		<u> </u>
		<u> </u>		<u> </u>
		X		

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Notes to the financial statements

Refuse Rate Account

	£	20XX £	£	20XX £
Refuse rates levied for the year		X		X
<i>Add:</i>				
Due from Treasury re prior year		X		X
Arrears brought forward		X		X
		<u>X</u>		<u>X</u>
<i>Less:</i>				
Discounts	X		X	
Exempt and unoccupied properties	X		X	
Refunds	X		X	
	<u>X</u>		<u>X</u>	
		<u>X</u>		<u>X</u>
Total refuse rates collectable		<u><u>X</u></u>		<u><u>X</u></u>
<i>Refuse rates received in the year:</i>				
Current year refuse rates	X		X	
Arrears collected	X		X	
Balance from Treasury re prior year	X		X	
		<u>X</u>		<u>X</u>
Total refuse rates received in the year		<u>X</u>		<u>X</u>
Balances outstanding carried forward:				
Due from Treasury re current year	X		X	
Arrears – current year	X		X	
– previous years	X		X	
	<u>X</u>		<u>X</u>	
		<u>X</u>		<u>X</u>
		<u><u>X</u></u>		<u><u>X</u></u>
			20XX	20XX
			£	£
Refuse rates levied for the year			X	X
Less: Discounts, exempt/unoccupied properties & refunds			X	X
			<u>X</u>	<u>X</u>
Per Comprehensive Income and Expenditure Statement			<u><u>X</u></u>	<u><u>X</u></u>

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Notes to the financial statements

Employee remuneration

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

	20XX Number of Employees	20XX Number of Employees
<i>Remuneration Band</i>		
£50,000 – £74,999	X	X
£75,000 – £99,999	X	X

Key management compensation

[Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the authority. Compensation to be disclosed includes all employee benefits. Key management personnel compensation should be disclosed in total.]

Members' allowances

During the year the Authority paid £XXXX to its Members in respect of their attendance at meetings, undertaking duties and responsibilities (20XX: £XX).

Related party transactions

[For related party transactions, disclose

- *nature of relationship with counter-party*
- *information about the transaction to sufficient to understand the financial position of the authority*
- *Can disclose by category (unless separate disclosure required to understand the effects of transactions on the accounts of the LA). Categories are (as a minimum):*
 - o *Entities with control, joint control, or significant influence over the entity*
 - o *Entities over which the entity has control, joint control of significant influence*
 - o *Key management personnel of the entity*
 - o *Entities that provide key management personnel services to the entity*
 - o *Other related parties*
- *To disclose for each of the above:*
 - o *Amount of transactions*
 - o *Balances outstanding*
 - o *T&C's including and security, and nature of consideration to be provided in settlement*
 - o *Details of any guarantees given or received*
 - o *Provisions for uncollectable receivables related to o/s balances*
 - o *Expense recognised in the period in respect of bad or doubtful debts from related parties*
- *Transactions purported to be at arms length should be able to be substantiated]*

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Notes to the financial statements

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:

	20XX	20XX
	£	£
Depreciation, impairment & revaluation losses for non-current assets	X	X
Decrease / (Increase) in creditors	X	X
(Decrease) / Increase in debtors	X	X
Decrease / (Increase) in provisions	X	X
Difference between FRS102 pension cost and contributions paid	X	X
Carrying amount of fixed assets sold & de-recognition of components	X	X
Other non-cash items charged to Surplus/Deficit on provision of services	X	X
	<u>X</u>	<u>X</u>

Cash flow statement – Investing activities

	20XX	20XX
	£	£
Purchase of assets (Fixed assets, investment property, intangible assets)	X	X
Other payments for investing activities	X	X
Purchase of / (receipts from) short-term and long-term investments	X	X
Decrease / (Increase) in provisions	X	X
Proceeds from the sale of tangible fixed assets and investment property	X	X
Other receipts from investing activities	X	X
	<u>X</u>	<u>X</u>

Cash flow statement – Financing activities

	20XX	20XX
	£	£
Cash receipts from short-term and long-term borrowing	X	X
Other receipts from financing activities	X	X
Cash payments for the reduction in liabilities relating to finance leases	X	X
Repayments of short-term and long-term borrowing	X	X
Loan interest paid	X	X
Loan interest received	X	X
Other payments for financing activities	X	X
	<u>X</u>	<u>X</u>

Audit fees

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

During the year the Authority incurred external audit fees of £XX (20XX: £XX).

Total rateable value

The total rateable value at the year end and rate multiplier for the year is to be disclosed

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Notes to the financial statements

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 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 XXXX by <ACTUARY>, independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

	31 March 20XX	31 March 20XX
Rate of inflation	X%	X%
Rate of increase in salaries	X%	X%
Rate of increase in pensions	X%	X%
Rate for discounting scheme liabilities	X%	X%

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

The mortality assumptions used were as follows:

	31 March 20XX	31 March 20XX
	Years	Years
Longevity at the age of 65 for current pensioners		
- Men	XX	XX
- Women	XX	XX
Longevity at the age of 65 for future pensioners		
- Men	XX	XX
- Women	XX	XX

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Total
	£	£	£
At 1 April 20XX	X	X	X
Benefits paid	X	X	-
Employer contributions	X	-	X
Current service cost	-	X	X
Past service cost	-	X	X
Interest income/(expense)	X	X	X
Remeasurement gains/(losses)			
- Actuarial losses	-	X	X
- Return on plan assets excluding interest income	X	-	X
At 31 March 20XX	X	X	X

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Notes to the financial statements

Total cost recognised as an expense:

	20XX	20XX
	£	£
Current service cost	X	X
Past service costs	X	X
Interest cost	X	X
	<hr/>	<hr/>
	X	X
	<hr/> <hr/>	<hr/> <hr/>

No amounts were included in the cost of assets (20XX: £nil)

The fair value of plan assets was:

	20XX	20XX
	£	£
Equity instruments	X	X
Bonds	X	X
Property	X	X
Cash	X	X
	<hr/>	<hr/>
Total	X	X
	<hr/> <hr/>	<hr/> <hr/>

The return on plan assets was:

	20XX	20XX
	£	£
Interest income	X	X
Return on plan assets less interest income	X	X
	<hr/>	<hr/>
Total return on plan assets	X	X
	<hr/> <hr/>	<hr/> <hr/>

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Notes to the financial statements

Capital commitments

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

	31 March 20XX	31 March 20XX
	£	£
Housing	X	X
New public conveniences	X	X
Drainage improvements	X	X
Hall extension	X	X
	_____	_____
	X	X
	=====	=====

Provisions

[Where relevant disclose

- *nature of the obligation and the expected amount and timing of any resultant payments*
- *an indication of the uncertainties about the amount and timing of those outflows*
- *the amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement]*

Contingent liabilities

[Where relevant disclose

- *for each class of contingent liability at the reporting date, a brief description of the nature of the contingent liability.*
- *an estimate of the financial effect*
- *an indication of the uncertainties relating to the amount and timing of any outflow*
- *the possibility of any reimbursement]*

Subsequent events

[Where relevant disclose for non-adjusting event after the end of the reporting period:

- *the nature of the event; and*
- *an estimate of its financial effect or a statement that such an estimate cannot be made.]*

APPENDIX 2: Isle of Man Local Authority Financial Statements Template

Notes to the financial statements

FRS 102 Transition *[only required for first year of FRS102 adoption]*

This is the first year that the authority has presented its results under FRS 102. The last financial statements under the SORP were for the year ended 31 March 2017. The date of transition to FRS 102 was 1 April 2016. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 March 2017 and the total equity as at 1 April 2016 and 31 March 2017 between the SORP as previously reported and FRS 102.

[Insert tables to reconcile any adjustments required]

[Holiday pay accrual

FRS 102 requires short term employee benefits to be charged to the Comprehensive Income and Expenditure Statement as the employee service is received. This has resulted in the authority recognising a liability for holiday pay of £XXXX on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged as they were paid. In the year to 31 March 2017 an additional charge of £XXXX was recognised and the liability at 31 March 2017 was £XXXX.]

[Defined benefit scheme

Under previous UK GAAP the authority recognised an expected return on defined benefit plan assets in the Comprehensive Income and Expenditure Statement. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in the Comprehensive Income and Expenditure Statement. There has been no change in the defined benefit liability at either 1 April 2016 or 31 March 2017. The effect of the change has been to reduce the credit to Net cost of Services in the year to 31 March 2017 by £XXXX and increase the credit in Other Comprehensive Income by an equivalent amount.]

[Rent free period for operating leases

Under the SORP operating lease incentives, including rent free periods and fit-out contributions, were spread over the shorter of the lease period or the period to when the rental was set to a fair market rent. FRS 102 requires that such incentives to be spread over the lease period. The authority has taken advantage of the exemption for existing leases at the transition date to continue to recognise these lease incentives on the same basis as previous UK GAAP. Accordingly the FRS 102 accounting policy has been applied to new operating leases entered into since 1 April 2016 and the operating lease charge has increased by £XXXX for the year to 31 March 2017, with a corresponding increase in the accrued lease liability at 31 March 2017.]

[Computer software

Computer software with a net book value of £XXXX at 1 April 2016, has been reclassified from tangible to intangible assets as required under FRS 102. This has no effect on the authority's net assets nor on the result for the year, except that the previous depreciation charge is now described as amortisation.]

5. APPENDIX 3: Financial Statements Template for Burial Ground Authorities

Isle of Man Burial Ground Authority

Financial Statements

For the year ended 31 March 20XX

[Accounting policies, primary statement line items, and notes are only required for material areas, tailored to the circumstances of each authority]

APPENDIX 3: Burial Ground Authority Financial Statements Template

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Statement of Accounting Policies	X
Statement of Responsibilities for the Statement of Accounts	X
Report of the Independent Inspector	X
Income and Expenditure Statement	X
Balance Sheet	X
Notes to the financial statements	X – X

APPENDIX 3: Burial Ground Authority Financial Statements Template

Statement of Accounting Policies

Basis of preparation

These financial statements have been prepared in accordance with the Audit Act 2006 and the provisions of the Accounts and Audit Regulations 2017. The financial statements have been prepared on the historical cost basis.

Income

(a) Rates receivable

Rates income for the year credited to the Statement of Income and Expenditure is the accrued income for the year, net of irrecoverable amounts.

(b) [*add policies for any other material income sources*]

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.

Value Added Tax

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

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. Expenditure on the acquisition or creation of tangible fixed assets is capitalised on an accruals basis.

Depreciation

Depreciation is provided for on all Tangible Fixed Assets by the systematic allocation of their depreciable amounts over their useful lives as follows:

Freehold buildings	XX years
Plant and machinery	XX years

Reserves

The Authority maintains the following significant reserves:

General Reserve: This reserve is set up to act as a buffer against the potential risks of increased expenditure to be charged to future years' accounts.

Sales of Plots Reserve: This reserve contains the income generated from the sale of plots and these funds are to be used to meet an element of the cost of any future extension to the burial ground.

[*Endowed Graves Reserve A:* This reserve contains capital from the will of AAA. The interest received on these funds is credited to this reserve and used to finance perpetual care obligations.

APPENDIX 3: Burial Ground Authority Financial Statements Template

Endowed Graves Reserve B: *This reserve contains capital from the will of BBB. The interest received on these funds is credited to this reserve and used to finance perpetual care obligations.]*

APPENDIX 3: Burial Ground Authority Financial Statements Template

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;
- 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;
- made judgements and estimates that were reasonable and prudent;

The Responsible Financial Officer has also:

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

APPENDIX 3: Burial Ground Authority Financial Statements Template

**Independent Inspector's Report to the Churchwardens of XXX
Burial Ground Authority**

APPENDIX 3: Burial Ground Authority Financial Statements Template

Income and Expenditure Statement

for the year ended 31 March 20XX

	<i>Notes</i>	Maintenance Account	Reserve Funds	20XX Total	20XX Total
		£	£	£	£
Income					
Burial Rates		X	X	X	X
Grave maintenance		X	X	X	X
Sales of Plots		X	X	X	X
Investment Income		X	X	X	X
Bank Interest		X	X	X	X
Other		X	X	X	X
Total Income		X	X	X	X
Expenditure					
Graveyard maintenance					
Equipment		X	X	X	X
Fuel		X	X	X	X
Wages		X	X	X	X
Insurance		X	X	X	X
Accountancy fees		X	X	X	X
Reviewers fees		X	X	X	X
Depreciation		X	X	X	X
Irrecoverable VAT		X	X	X	X
Other		X	X	X	X
Total Expenditure		X	X	X	X
Surplus / deficit of income over expenditure		X	X	X	X
Other recognised gains/losses (if applicable)					
Actuarial gains/(losses) on defined benefit schemes ⁴		X	X	X	X
Balances brought forward		X	X	X	X
Transfers between funds		X	X	X	X
Balances carried forward		X	X	X	X

⁴ If the BGA has responsibility for pensions then these must be reported upon in accordance with the Appendix 2 Financial Reporting template for Local Authorities including the incorporation of relevant disclosure notes.

APPENDIX 3: Burial Ground Authority Financial Statements Template

Balance Sheet

as at 31 March 20XX

	<i>Notes</i>	£	20XX £	£	20XX £
Fixed assets					
Tangible fixed assets			X		X
			X		X
Current assets					
Stock		X		X	
Debtors		X		X	
Cash at bank		X		X	
		X		X	
Current liabilities					
Short-term borrowing		X		X	
Creditors		X		X	
Bank overdraft		X		X	
		X		X	
			X		X
Long-term liabilities					
Long-term borrowing		X		X	
Other liabilities		X		X	
			X		X
Total assets less liabilities					
			X		X
Reserves:					
Maintenance Account			X		X
Reserve Funds			X		X
			X		X

The financial statements were approved by the Authority on
were signed on their behalf by:

and

Chairman

RFO

APPENDIX 3: Burial Ground Authority Financial Statements Template

Notes to the financial statements

Tangible fixed assets

	Land and buildings	Plant and equipment	Total
	£	£	£
Cost or valuation			
At 31 March 20XX	X	X	X
Additions in the year	X	X	X
Disposals in the year	X	X	X
	<u> </u>	<u> </u>	<u> </u>
At 31 March 20XX	X	X	X
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 31 March 20XX	X	X	X
Charge for the year	X	X	X
Disposals in the year	X	X	X
	<u> </u>	<u> </u>	<u> </u>
At 31 March 20XX	X	X	X
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31 March 20XX	X	X	X
	<u> </u>	<u> </u>	<u> </u>
At 31 March 20XX	X	X	X
	<u> </u>	<u> </u>	<u> </u>

Debtors and prepayments

	20XX £	20XX £
Amounts falling due in one year (net of bad debt provisions):		
VAT	X	X
Other local authorities	X	X
Ratepayers	X	X
Sundry debtors	X	X
	<u> </u>	<u> </u>
	X	X
	<u> </u>	<u> </u>

Creditors

	20XX £	20XX £
Sundry creditors	X	X
<i>[Other creditors]</i>	X	X
	<u> </u>	<u> </u>
	X	X
	<u> </u>	<u> </u>

APPENDIX 3: Burial Ground Authority Financial Statements Template

Notes to the financial statements

Analysis of Reserve Funds

	Sale of Plots	Endowed Graves	[Other]	[Other]
	£	£	£	£
Income				
Sales of Plots	X	X	X	X
Investment Income	X	X	X	X
Bank Interest	X	X	X	X
Other	X	X	X	X
	<hr/>	<hr/>	<hr/>	<hr/>
Total Income	X	X	X	X
Expenditure				
Maintenance of endowed graves		X		
Other	X	X	X	X
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditure	X	X	X	X
Surplus / deficit of income over expenditure	X	X	X	X
Balances brought forward	X	X	X	X
Transfers between funds	X	X	X	X
	<hr/>	<hr/>	<hr/>	<hr/>
Balances carried forward	X	X	X	X
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Related party transactions

[For related party transactions, disclose

- nature of relationship with counter-party*
- information about the transaction to sufficient to understand the financial position of the authority]*

Independent Inspector's fees

During the year the Authority incurred Independent Inspector's fees of £XX (20XX: £XX).