

Manx Museum and National Trust

Financial statements

For the year ended 31 March 2020

Registration No. 603

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General Information

Charitable Status

The Manx Museum and National Trust (the “Trust”), trading as Manx National Heritage, was registered as a charity under the Charities Registration Act 1989 on 15 January 1993 and assigned registration no 603.

The Trust is responsible for protecting and promoting the Isle of Man’s natural and cultural heritage. As an Isle of Man registered charity it looks after some of the Island’s most special places, spaces, archives and museum collections, making these available to people across the world.

The Manx Museum and National Trust Act as amended in 2012 makes provision for the establishment of a new Board every five years after a General Election and a new Tynwald. Board members can serve a maximum of two five years terms and must re-apply for the position. Recruitment of a new Board took place in the spring of 2017 – with the Board being formally endorsed by Tynwald in May 2017. The new Board undertook a programme of induction during the summer of 2017.

During the year, the Board consisted of the following Trustees:

- Jonathan Hall (Chairperson)
- Malcolm Kelly
- Mark Shimmin
- Eva Wisemark
- John Watt
- Catriona Mackie
- Rob Callister MHK (Minister’s representative)
- Philip Gawne
- Joan Conway
- David Martin
- Jennie Thompson

The chairperson and other Trustees are appointed by the Council of Ministers.

Registered Address

Manx National Heritage
Manx Museum and National Trust
Douglas
Isle of Man
IM1 3LY

General Information (continued)

Funds

Legacies and donations received by the Trust are allocated to one of three different funds depending on the nature of the legacy or donation.

Within these funds, a separate record is kept of any monies received for specific purposes or with special conditions attached and these are allocated to a restrictive condition section of the fund. The principal funds are:

General All Purpose Fund

Income from miscellaneous legacies, donations and grants are deposited in this fund. Where this income is received for specific use, it is held separately within this fund.

Curatorial and Professional Development Fund

Income received for use in Manx National Heritage for curatorial and professional development.

Biodiversity Fund

Income received for use on works that will have a significant long-lasting benefit on Manx biodiversity is allocated to this fund.

Non-distributable Reserve

All properties, including investment properties, Heritage fixed assets and Tangible fixed assets, are subject to revaluation every three years. Any such revaluation is not classed within a designated fund as these revaluations are not representative of usable funds. Revaluations are allocated to a non-distributable reserve until that reserve is nil, after which deductions are made from the general all purpose fund for any further reductions in value not offset by increases in value.

Report of the Trustees

The Trustees present their annual report together with the audited financial statements of the Manx Museum and National Trust for the year ended 31 March 2020.

Allocation between Government and the Trust

The Isle of Man Government makes a significant contribution to the core activities of the Trust and the Trust uses the Government's accounting services and systems to hold and manage transactions. Historically the Government has included that financial contribution within its Revenue budget and as a consequence has also included the Accounts relating to these activities within its consolidated accounts. A draft unaudited version of these is published annually for the July Tynwald (Light Blue Book) and a summary, audited, version for the October Tynwald (Dark Blue Book).

Historically the Trust's operational budgets and accounts associated with the Government support have been managed and reported separately from accounts described by the Trust as "Charitable". As a result of matters raised by the Attorney General's Chambers, in the capacity of Attorney General's statutory role concerning Manx charities, it is accepted that the Trust has an obligation to describe the full range of its activity in its accounts, and should not artificially separate out accounts or describe them in this way.

Significant progress has been made in rectifying this position but it has involved a complete review of the Trust's relationship with Government and re-engineering of the Trust's accounting processes and systems in order to consolidate the full picture of the activities of the Trust. The Trust are grateful for the support of the Isle of Man Treasury Department's staff and a small grant to employ a specialist consultant. It is has not been possible to resolve this retrospectively for the financial year 2019/20. Due to the diversion of Treasury and Government Technology Services resources during the Island's state of emergency, the framework to provide a single set of accounts will not be available until April 2021, later than previously forecast. As previously provided the relevant extracts from the Light Blue Book have therefore been appended to the Trust's accounts for that year.

Discussions with the Attorney General's Chambers have also confirmed that all property in the name of the Trust is owned by the Trust irrespective of the source of any funding. Significant progress has been made with documenting this but work is yet to be concluded in this respect. Revaluations for the financial year 2019/20 have been completed. Trust property also remains in the Government consolidated accounts, details of which are appended.

Work continues to conclude a draft Memorandum of Understanding between the Trust, Treasury and the Department for Enterprise. This documents the relationship between the Charity and the Government including the various services and support provided by the relevant partner.

In March 2020, the Isle of Man declared a state of emergency to deal with the Coronavirus crisis. The Trust took action to limit its activities in line with Government requirements.

Report of the Trustees (continued)

Results

At the year end, the Trust had net assets of £4,395,261 (2019: £4,454,260) and a deficit for the year of £329,318 (2019: surplus £182,982).

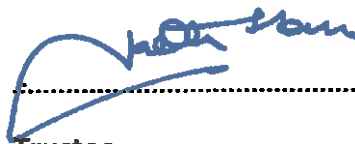
Distributions

No distributions have been paid or proposed during the year (2019: £nil).

Auditors


Our Auditors, Grant Thornton, were appointed as auditors in the year and being eligible, have indicated their willingness to continue in office.

On behalf of the Trust



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Trustee



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Trustee

Statement of Trustees' Responsibilities in Respect of the Trustees' Report and the Financial Statements

The Trustees are responsible for preparing the Trustees' report and the financial statements for each financial year in accordance with applicable law and regulations. In addition, the Trustees have elected to prepare the financial statements in accordance with Section 1A of FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Accounting Standards applicable to Smaller Entities), as applicable to an Isle of Man Trust.

The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of the surplus or deficit for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK Accounting Standards including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland as applicable to an Isle of Man Trust;
- assess the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business, and
- observe the methods and principles in the Charities SORP.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Trust Deed.

They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Trustees' of Manx Museum and National Trust

Disclaimer of opinion

We do not express an opinion on the financial statements of Manx Museum and National Trust. Due to the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We were engaged to audit the financial statements of the Manx Museum and National Trust (the Trust) for the year ended 31 March 2020 which comprise the Statement of Financial Activities (including income and expenditure account), the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) Section 1A, as applicable to a Manx Trust and as modified by the Accounts and Audit Regulations 2018 made under the Audit Act 2006.

Basis for disclaimer of opinion

Due to the fundamental impact of the matter as described in the Trustees' Report on page 3 and in note 11 to the financial statements, we have been unable to confirm the completeness of the Trust's income, expenditure and assets, as they appear in these accounts, as they do not include in consolidated form the income, expenditure and assets which appear within the Isle of Man Government's accounts as proposed by the Attorney General's Chambers. An exercise is underway to examine this position, however it has not been concluded as at the date of this report and it is not possible to quantify the impact on these financial statements. As a result of this, we have been unable to obtain sufficient appropriate audit evidence concerning income, expenditure and assets.

There is also a limitation in audit scope in relation to income donations and legacies. Consistent with many charitable institutions, legacies and donations may be receivable by the Trust from a wide range of sources. Given the inherent difficulty in identifying and quantifying the source of all potential income, there is limited sufficient appropriate audit evidence available to us in order to assess the completeness and accuracy of the donations and legacies.

Who we are reporting to

This report is made solely to the Trustees of the Trust, in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the Trustees 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 Manx Trust and the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Independent Auditor's Report to the Trustees' of Manx Museum and National Trust (continued)

Matters on which we are required to report by exception

In accordance with section 6(2) of the Audit Act 2006, we are required to include a statement in our audit report providing particulars where in relation to the accounts we:

- are not satisfied as to any of the matters specified in section 4(1) of the Audit Act 2006; or
- consider that any matter specified in section 4(2) of the Audit Act is contrary to law; or
- consider that the relevant body has failed in any respect mentioned in section 4(3) of the Audit Act 2006.

With regards to section 4(1) as detailed in our report above we have been unable to express an opinion on the financial statements. With regards to section 4(3a) recommendations in respect of internal controls matters identified during the course of our audit are reported to Manx Museum and National Trust in our audit completion report.

Except as noted above, we have nothing to report in respect of the matters we are required to report by exception.

Other information

The Trustees are responsible for the other information included in the Trustees Report set out on pages 1-4, other than the financial statements and our auditors report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent explicitly stated in our report, we do not express an audit opinion thereon.

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

Due to the significance of the matter described in the basis for disclaimer of opinion on financial statements paragraph, and the consequential effect on the related disclosures in the other information, although in our opinion the information given in the other information for the financial year is consistent with the financial statements, we do not express an opinion on the preparation of that information or whether we have identified material misstatements in that information.

Independent Auditor's Report to the Trustees' of Manx Museum and National Trust (continued)

Responsibilities of the Trustees'

As explained more fully in the Trustees responsibilities statement set out on page 5, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Trust'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 Trustee either intends to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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



Name: Lyndsay Brew
For and on behalf of Grant Thornton Limited
Chartered Accountants and Auditors

Relevant professional qualification or body: ICAEW

Address: Grant Thornton Limited
Third Floor
54-62 Athol Street
Douglas
Isle of Man

Date: 22 September 2020

Statement of Financial Activities (including income and expenditure account)

for the year end 31 March 2020

	Note	2020 £	2019 £
<i>Income</i>			
Donation boxes		19,917	17,053
Donations and legacies		191,421	372,629
Fundraising		2,819	-
Sale of publications		-	1,495
Rental income		77,586	98,079
Sundry income	6	2,217	166,111
Investment income		16,558	17,213
(Loss)/Gain on investments	4	(62,738)	7,715
		<u>247,780</u>	<u>680,295</u>
<i>Expenses</i>			
Audit fees	11	(3,596)	(4,886)
Heritage project costs		(486,310)	(442,479)
Deficit repayment to IOM Treasury	11	(60,500)	-
Sundry expenses		(6,868)	(36,453)
Depreciation	2, 5	(19,824)	(13,495)
		<u>(577,098)</u>	<u>(497,313)</u>
(Deficit)/surplus for the year		(329,318)	182,982
Other recognised gains and losses:			
Gain on revaluation of fixed assets		270,319	-
As at 1 April		<u>4,454,260</u>	<u>4,271,278</u>
As at 31 March		<u>4,395,261</u>	<u>4,454,260</u>

The notes on pages 12 to 23 form part of these financial statements.

The Trustees consider that all results derive from continuing activities.

Balance Sheet

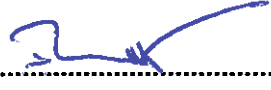
As at 31 March 2020

	Note	£	2020 £	£	2019 £
Fixed assets					
Heritage assets	2		740,000		315,934
Tangible fixed assets	5		755,000		310,500
Investment properties	3		595,000		600,000
Investments	4		<u>868,925</u>		<u>311,872</u>
			2,958,925		1,538,306
Current assets					
Debtors		620			
Cash at bank		<u>1,511,895</u>		<u>2,920,986</u>	
		1,512,515		2,920,986	
Creditors: amounts falling due in less than one year					
Accruals		(65,599)		(5,032)	
Deferred income	7	<u>(10,580)</u>		<u>(5,032)</u>	
		(76,179)		(5,032)	
Net current assets			1,436,336		2,915,954
Net assets			<u>4,395,261</u>		<u>4,454,260</u>
Reserves					
Manx Museum and National Trust funds available			3,654,942		3,984,260
Non-distributable reserve			740,319		470,000
Total funds	8		<u>4,395,261</u>		<u>4,454,260</u>

The notes on pages 12 to 23 form part of these financial statements.

These financial statements were approved by the Trustees on 17 September 2020 and were signed on their behalf by:


.....
Trustee


.....
Trustee

Statement of Net Movements on Reserves

for the year end 31 March 2020

As at 31 March 2019	General All Purpose	Biodiversity	Curatorial and Professional Development	Non- distributable reserve	Total
	£	£	£	£	£
Balance brought forward	2,811,275	26,077	963,926	470,000	4,271,278
Movement for the year	116,739	207	66,036	-	182,982
Per Balance Sheet	<u>2,928,014</u>	<u>26,284</u>	<u>1,029,962</u>	<u>470,000</u>	<u>4,454,260</u>
As at 31 March 2020	General All Purpose	Biodiversity	Curatorial and Professional Development	Non- distributable reserve	Total
	£	£	£	£	£
Balance brought forward	2,928,014	26,284	1,029,962	470,000	4,454,260
Movement for the year	(249,601)	1	(79,718)	270,319	(58,999)
Per Balance Sheet	<u>2,678,413</u>	<u>26,285</u>	<u>950,244</u>	<u>740,319</u>	<u>4,395,261</u>

The non-distributable reserve represents unrealised gains on revaluation of properties. In order for these funds to be used for Trust purposes the properties would need to be sold to release the funds. As such they are classed as non-distributable until such time as the properties are sold and the funds held in cash or other liquid investments.

The notes on pages 12 to 23 form part of these financial statements.

Notes

(forming part of the financial statements for year ended 31 March 2020)

1 Accounting policies

The Trust is incorporated in the Isle of Man. The Trust is registered as a charity with registration number 603. Its registered office is Manx Museum and National Trust, Douglas, IM1 3LY.

a) Accounting policies

The financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and investment property, and in accordance with Section 1A of FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, as applicable to an Isle of Man Trust; Accounting and Reporting by Charities; Statement of Recommended Practice and Isle of Man Charities Registration and Regulation Act 2019.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Trust's financial statements. The financial statements have been prepared on a going concern basis following an assessment by the Trustees.

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

b) Income and expenses

All income and expenses are accounted for on an accruals basis.

Income from donations and legacies, either restricted or non-restricted, comprises incomes generated from the following sources:

- Gifts and donations received/receivable including legacies.
- Donations from Friends of Manx National Heritage received for specific projects.

Rental income, recognised in the general all purpose fund, includes income received from the following sources:

- The leasing of investment properties
- The letting of holiday accommodation, with any funds received in advance of the next financial year to be reflected as deferred income.

Expenditure which, in the Trustees' view, is required to preserve or clearly prevent further deterioration of individual collection items, or to repair and maintain land and buildings, is recognised in the Profit and Loss account when it is incurred.

Notes (continued)

(forming part of the financial statements for year ended 31 March 2020)

1 Accounting policies (continued)

b) *Income and expenses (continued)*

Any excess expenditure above the Pink Book Budget, approved by Tynwald, within the Isle of Man Government accounts, is repaid from the Trust's reserves to Isle of Man Treasury.

c) *Stock*

Expenditure on publications is taken from the relevant fund in the year in which it is incurred. Stocks of publications are not included in the balance sheet as assets of the Trust.

d) *Going concern*

After reviewing the Trust's Cashflows, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in existence for the foreseeable future. The Trust therefore continues to adopt the going concern basis in preparing its financial statements.

e) *Financial instruments*

The Trust classifies its investments as financial assets at fair value through profit or loss. The classification is dependent on the purpose for which the investments were acquired. The Trustees determine the appropriate classification of investments at the time of purchase and re-evaluate each designation at every reporting date.

Financial assets at fair value through profit or loss are part of a group of investments that is managed on a portfolio basis and whose performance is evaluated and reported internally on a fair value basis to the Trust's Trustees in accordance with a documented investment strategy.

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Trust after deducting all of its liabilities.

Notes (continued)

(forming part of the financial statements for year ended 31 March 2020)

1 Accounting policies (continued)

e) *Financial instruments (continued)*

i) *Initial recognition and subsequent measurement*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Trust intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii) *De-recognition of financial instruments*

Financial assets are derecognised when and only when; a) the contractual rights to the cash flows from the financial asset expire or are settled; b) the Trust transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or; c) the Trust, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled, or expires.

Notes (continued)

(forming part of the financial statements for year ended 31 March 2020)

1 Accounting policies (continued)

f) *Heritage assets*

i) *Artefacts*

The Trustees do not consider that reliable cost of valuation information can be obtained for the vast majority of items held in the collections of artefacts and fossils. This is because of the diverse nature of the assets held, the number of assets held and the lack of comparable market values. The Trust does not therefore recognise the assets on its balance sheet, other than recent acquisitions which are reported at cost, where the object is purchased, or at the Museum Curator's best estimate of current value where the object is donated.

ii) *Land and buildings*

The Trust maintains a number of buildings and areas of land which it deems to be classed as heritage assets. These are included in the Schedule of Trust Ownership appended to these financial statements. The Trustees consider that owing to the incomparable nature of the buildings and land sites, conventional valuation approaches lack sufficient reliability and that, even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the museum and users of the accounts. As a result, no value is reported for these assets in the Trust's balance sheet.

No depreciation is charged on heritage assets for which a value could be determined, due to the incomparable nature of the heritage assets, and the fact that the assets for which a purchase cost could be determined, are part of a programme of continuous refurbishment.

Buildings are stated at cost less accumulated depreciation, as a value can be ascribed to them. These buildings have a useful life of 50 years and depreciation begins on acquisition. The buildings are revalued every three years with gains and losses on revaluation recognised in the non-distributable reserve to the extent that it reverses any previous gain then is recognised in the general all purpose fund.

Notes (continued)

(forming part of the financial statements for year ended 31 March 2020)

1 Accounting policies (continued)

g) *Tangible fixed assets – Buildings*

Buildings are stated at cost less accumulated depreciation. Buildings are used to house special heritage assets that are part of the Manx National Heritage program for studying and conserving heritage assets. They have a useful life of 50 years. Tangible fixed assets are revalued every three years with gains and losses on revaluation recognised in the non-distributable reserve to the extent that it reverses any previous gain then is recognised in the general all purpose fund.

h) *Investment property*

Investment properties are initially recognised at cost. Subsequent to initial recognition the properties are held at fair value with any gains or losses arising from changes in the fair value being recognised through the profit and loss account in the year to which they relate. No depreciation is provided for in relation to these properties.

i) *Cash*

Cash at bank includes cash and short term highly liquid investments with a short maturity of three months or less.

j) *Funds*

Legacies and donations received by the Trust are allocated to one of three different funds depending on the nature of the legacy or donation. Within these funds, a separate record is kept of any monies received for specific purposes or with special conditions attached and these are allocated to a restrictive condition section of the fund. The principal funds are:

General All Purpose Fund

Income from miscellaneous legacies, donations and grants are deposited in this fund. Where this income is received for specific use, it is held separately within this fund.

Curatorial and Professional Development Fund

Income received for use in Manx National Heritage for curatorial and professional development.

Biodiversity Fund

Income received for use on works that will have a significant long-lasting benefit on Manx biodiversity is allocated to this fund.

Notes (continued)

(forming part of the financial statements for year ended 31 March 2020)

1 Accounting policies (continued)

k) Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The most significant accounting estimate relates to the property valuations, where specialists are used (see notes 2, 3 and 4).

2 Heritage assets

The Trustees of the Manx Museum and National Trust have concluded that assets held such as artefacts, fossils and land and buildings fall under the scope of FRS 102 in respect of heritage assets. A schedule of trust ownership is appended to these financial statements. Except for the assets named below no value is attributed to these assets.

The Trust owns three properties classed as heritage assets which have been recently purchased and held for historical interest: Thornbank, Falcon Cliff Terrace, Douglas; the former Castletown benefits office and the former Castletown police station.

Thornbank, Falcon Cliff Terrace, Douglas: A Baillie Scott building, currently undergoing restoration. The property was valued by the Isle of Man Government Valuation Office in accordance with the RICS Valuation Standards Red Book at 31 March 2020 at a value of £245,000.

Castletown benefits office (Castlegate): Improvements to the property are being made by the tenant in lieu of payment of rental income. These improvements are capitalised within the value of the asset. The property was valued by the Isle of Man Government Valuation Office in accordance with the RICS Valuation Standards Red Book at 31 March 2020 at a value of £220,000.

Castletown police station: A Baillie Scott building. The property was valued by the Isle of Man Government Valuation Office in accordance with the RICS Valuation Standards Red Book at 31 March 2020 at a value of £275,000.

Notes (continued)

(forming part of the financial statements for year ended 31 March 2020)

2 Heritage assets (continued)

	Heritage assets £
Cost or valuation	
At 1 April 2019	350,729
Additions	247,497
Disposals	-
Gain on revaluation of property	141,774
At 31 March 2020	740,000
Depreciation	
At 1 April 2019	34,795
Charge for the year	9,268
Depreciation reversed on revaluation	(44,063)
At 31 March 2020	-
Net book value	
31 March 2020	740,000
31 March 2019	315,934

3 Investment properties

	2020 £	2019 £
<i>Opening balance</i>	600,000	600,000
Loss on revaluation of property	(5,000)	-
<i>Closing balance</i>	595,000	600,000

The Trust owns two properties classed as investment properties: Flat 1, 3 Kingswood Grove, Douglas and Thie Ny Droghad, Colby.

Flat 1, 3 Kingswood Grove, Douglas: The property was valued by the Isle of Man Government Valuation Office in accordance with the RICS Valuation Standards Red Book at 31 March 2020 at a value of £120,000.

Thie Ny Droghad, Colby: The property was valued by the Isle of Man Government Valuation Office in accordance with the RICS Valuation Standards Red Book at 31 March 2020 at a value of £475,000.

Notes (continued)

(forming part of the financial statements for year ended 31 March 2020)

4 Investments

	2020	2019
	£	£
Opening balance	311,872	291,011
Additions	710,971	102,821
Disposals	(91,180)	(89,675)
Gain on investments	(62,738)	7,715
Closing balance	<u>868,925</u>	<u>311,872</u>

	2020	2019
	£	£
Fixed interest	494,640	129,025
Equity	222,075	130,814
Property	24,937	-
Alternatives	127,273	52,033
Closing balance	<u>868,925</u>	<u>311,872</u>

5 Tangible fixed assets

	Buildings
	£
Cost or valuation	
At 1 April 2019	345,000
Additions	365,573
Disposals	-
Gain on revaluation of property	44,427
At 31 March 2020	<u>755,000</u>
Depreciation	
At 1 April 2019	34,500
Charge for the year	10,556
Depreciation reversed on revaluation	(45,056)
At 31 March 2020	<u>-</u>
Net book value	
31 March 2020	<u>755,000</u>
31 March 2019	<u>310,500</u>

Notes (continued)

(forming part of the financial statements for year ended 31 March 2020)

5 Tangible fixed assets (continued)

The Trust owns two properties classed as tangible fixed assets, both purchased as storage units: Unit 9 and Unit 10, Cooil Smithy, Braddan.

Unit 9, Cooil Smithy, Braddan: The property was purchased to house the Peggy Vessel, which was obtained from the Castletown Nautical Museum. This is part of the Manx National Heritage programme to conserve and study the vessel. The building is solely used for this purpose. The property was valued by the Isle of Man Government Valuation Office in accordance with the RICS Valuation Standards Red Book at 31 March 2020 at a value of £375,000.

Unit 10, Cooil Smithy, Braddan: The property was purchased in September 2019 to store artefacts from the lower folk gallery and other collection items. The building is solely used for this purpose. The property was valued by the Isle of Man Government Valuation Office in accordance with the RICS Valuation Standards Red Book at 31 March 2020 at a value of £380,000.

The tangible fixed assets have a historical cost of £689,673 (2019: £324,300).

6 Capital commitments

Following negotiation, Treasury agreed that the proceeds of the sale of No. 6 Kingswood Grove, held in the Trust's name within the IOM Government consolidated accounts, in 2019 (£135,629 included in Sundry income) could be used to part fund the acquisition of the Baillie Scott Police Station in Castletown, with the Trustees providing the remaining £89,701 towards the acquisition made in 2020. In addition during the year, the Trustees purchased & fitted out the new storage unit for £420,043. The Elizabeth Clucas Trust funds (£30,000) received in 2019 for the refurbishment of Thornbank remains unused as yet.

	2020	2019
	£	£
Authorised but not reimbursed	<u>30,000</u>	<u>680,629</u>

7 Deferred income

	2020	2019
	£	£
Deferred income brought forward	-	-
Income deferred in the year	<u>10,580</u>	-
Deferred income carried forward	<u>10,580</u>	-

Notes (continued)

(forming part of the financial statements for year ended 31 March 2020)

8 Assets and liabilities by Fund

As at 31 March 2019	General All Purpose	Biodiversity	Curatorial and Professional Development	Non- distributable Reserve	Total
	£	£	£	£	£
Heritage assets	315,934	-	-	-	315,934
Tangible fixed assets	310,500	-	-	-	310,500
Investment properties	130,000	-	-	470,000	600,000
Investments	311,872	-	-	-	311,872
Cash at bank	1,864,740	26,284	1,029,962	-	2,920,986
Accruals	(5,032)	-	-	-	(5,032)
Per Balance Sheet	<u>2,928,014</u>	<u>26,284</u>	<u>1,029,962</u>	<u>470,000</u>	<u>4,454,260</u>
As at 31 March 2020	General All Purpose	Biodiversity	Curatorial and Professional Development	Non- distributable Reserve	Total
	£	£	£	£	£
Heritage assets	554,163	-	-	185,837	740,000
Tangible fixed assets	665,518	-	-	89,482	755,000
Investment properties	130,000	-	-	465,000	595,000
Investments	437,294	-	431,631	-	868,925
Debtors	620	-	-	-	620
Cash at bank	966,997	26,285	518,613	-	1,511,895
Accruals	(65,599)	-	-	-	(65,599)
Deferred income	(10,580)	-	-	-	(10,580)
Per Balance Sheet	<u>2,678,413</u>	<u>26,285</u>	<u>950,244</u>	<u>740,319</u>	<u>4,395,261</u>

9 Taxation

Under the Manx Museum and National Trust Act 1959 the income derived from any property of the Trust is exempt from Income Tax.

10 Financial risk management

The Trust is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are market risk, credit risk and liquidity risk.

a) Market risk

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuations in interest rates, equity prices and

foreign currency exchange rates, affecting both the value of the Trust's assets and its liabilities.

Notes (continued)

(forming part of the financial statements for year ended 31 March 2020)

10 Financial risk management (continued)

b) Credit risk

Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their obligations. The Trust's exposure primarily relates to amounts recoverable from investment debtors or bank balances.

c) Liquidity risk

Liquidity and cash flow is the risk that cash may not be available to pay obligations when due.

11 Related party transactions, immediate and ultimate controlling party

At the balance sheet date, the immediate and ultimate controlling party of the Trust is considered to be the Trustees of the Manx Museum and National Trust. During the year, heritage project costs of £413,375 (2019: £442,479) were paid to the Isle of Man Treasury. These funds were released from cash reserves to cover large projects undertaken outside the scope of the budget provided by Treasury for the year. The Treasury Department forms part of the Isle of Man Government which is controlled by Members of Tynwald made up of Members of the House of Keys (MHKs) and Members of the Legislative Council (MLCs). In accordance with the Manx Museum and National Trust Act, the Trustees of the Trust during the period included an MHK, appointed as a representative of the Minister of the Department for Enterprise. Under FRS 102 this is considered to be a related party. Payments made for heritage projects are made on terms equivalent to those prevailing in an arm's length transaction.

Any excess expenditure above the Pink Book Budget, approved by Tynwald, within the Isle of Man Government accounts is repaid from the Trust's reserves to Isle of Man Treasury. During the current year this amounted to £60,500 (2019: Nil).

In September 2019, the Trust purchased the former Castletown police station from the Department of Home Affairs ("DHA") for £225,330.

The audit fee of the Trust is paid on its behalf by Isle of Man Treasury, which is subsequently reimbursed by the Trust.

None of the trustees have received any remuneration from this Trust account for their services during the year (2019: Nil), however the trustees are entitled and have received expenses via the Isle of Man Government revenue account (Pink Book).

Notes (continued)

(forming part of the financial statements for year ended 31 March 2020)

12 Allocation between Government and the Trust

As noted in the Report of the Trustees, the position following the direction by the Attorney General's Chambers remains ongoing.

Significant progress has been made in rectifying this position but it has involved a complete review of the Trust's relationship with Government and re-engineering of the Trust's accounting processes and systems in order to consolidate the full picture of the activities of the Trust. The Trust are grateful for the support of the Isle of Man Treasury Department's staff and a small grant to employ a specialist consultant. It has not been possible to resolve this retrospectively for the financial year 2019/20 and the framework to provide a single set of accounts will not be available until April 2021. As previously provided the relevant extracts from the Light Blue Book have therefore been appended to the Trust's accounts for that year.

Discussions with the Attorney General's Chambers have also confirmed that all property in the name of the Trust is owned by the Trust irrespective of the source of any funding. Significant progress has been made with documenting this. All necessary revaluations for the financial year 2019/20 have been obtained. Trust property also remains in the Government consolidated accounts, details of which are appended.

13 Subsequent Events

In May 2020 the Trust submitted a revised budget to Tynwald to account for the COVID-19 pandemic. Whilst the scale of the impact on the Trust, financially and otherwise, is not yet fully known this has secured additional funding which will minimise the significant expected impact of the loss of income from admissions and other sources in 2020/21.

No further subsequent events have been identified that require disclosure in these financial statements.

Schedule of Trust Ownership (unaudited)

as at 31 March 2020

The majority of the collections at the Manx Museum and Site Museums.

"Yn Thie Thooit", The Lhen, Andreas.

c 2.8 acres Kerroogarroo Fort, Andreas.

c 23.8 acres Ballakeil, Andreas.

c 1.7 acres Smithy Cottage with adjacent land, Earystane, Arbory.

Thie ny Droghad, Upper Ballastroon, Colby, Arbory.

c 21.45 acres on the Curraghs, Ballaugh.

Pinfold, Braddan.

Unit 9, Cooil Smithy, Braddan.

Unit 10, Cooil Smithy, Braddan.

c 57.7 acres at Ballakesh and Ballawhannel, Bride.

c 1.38 acres Vollan Fort, Lezayre.

c 87 acres Killabrega, Lezayre.

c 55 acres Sulby Glen, Lezayre.

c 40.7 acres Ballaragh, Bulgham Bay, Lonan.

c 8.27 acres Laxey Wheel Land and c 6.9 acres Laxey Head, Lonan.

King Orry's Grave adjoining Gretch Veg, Lonan.

Nautical Museum, Malew.

Grammar School, Malew.

Hango Hill, Malew.

Old House of Keys, Malew.

c 3.3 acres Silverdale Glen (partial), Malew.

c 12.6 acres St Michaels Isle (excl. Fort), Malew.

c 0.6 acres Monk's Bridge, Ballasalla, Malew.

Castlegate, Castletown, Malew.

Baillie Scott Building (Former police station), Castletown, Malew.

c 2.2 acres Braald Monument, Marown.

c 19 acres Upper Ballaharry, Marown.

2.5 acres at Port-e-Vullen, Maughold.

9 acres at Gob ny Rona, Maughold.

c 37.5 acres The Dhoon, Maughold.

c 107 acres on Maughold Head and Brooghs (incl. Hall Caine), Maughold.

Maughold Green, Maughold.

Manx Museum buildings, Clifton House, Library Stack and land at Museum entrance, Onchan.

Thornbank, Falcon Cliff Terrace, Onchan.

Land at Scollag Road, Onchan.

Flat 1, 3 Kingswood Grove, Onchan.

c 373 acres of land at Eary Cushlin and Creggan Mooar, Patrick.

c 13 acres of land at Niarbyl, Upper, Lower Thatch and Knockuskey, Patrick.

c 212 acres Spanish Head (original holding), Rushen.

c 62 acres Cregneash, Rushen.

Harry Kelly's Cottage, Cregneash, Rushen.

Smithy Building, Cregneash, Rushen.

Crebbin's House, Cregneash, Rushen.

Lathe Shed, Cregneash, Rushen.

Weavers House and garden, Cregneash, Rushen.

Karran Farm, Cregneash, Rushen.

Cregneash Green, Cregneash, Rushen.

Ned Begg's Cottage, Cregneash, Rushen.

"Thie Thooit Beg", Cregneash, Rushen.

"Calf View", Cregneash, Rushen.

Charlotte Keggin's Tholtan, Cregneash, Rushen.

c 90 acres the Chasms (incl. the shelter, Sugar Loaf and Anvil Rocks), Rushen.

Land at Sound, Rushen.

c 20 acres Meayll Hill, Meayll Circle, Rushen.

9.5 acres Kitterland, Rushen.

c 616 acres Calf of Man, Rushen.

c 20.5 acres Bradda Mooar, Port Erin, Rushen.

The Broogh, Santon.

Schedule of Trust Ownership Held in Isle of Man Government consolidated financial statements (unaudited)

as at 31 March 2020

As set out in the Report of Trustees assets have historically been held in the Isle of Man Government consolidated financial statements whilst being registered to the Trust. This is being reviewed but in the meantime details are appended to present the full assets held by the Trust.

Friary Chapel, Arbory.

Curraghs, Ballaugh.

Land at Marine Drive, Braddan.

Manx Museum, Douglas.

Manx Museum (RC Cowley) - part of Museum extension site, Douglas.

Manx Museum (AD Henry) - part of Museum extension site, Douglas.

Manx Museum (CR Clague) - part of Museum extension site, Douglas.

Manx Museum (TJ Boyde) - part of Museum extension site, Douglas.

Manx Museum (CD Christian) small triangle, Douglas.

Manx Museum - Co-Op Store, Douglas.

Manx Museum (DHPP) Mona Terrace Lane - land now part of Furniture Store, Douglas.

Manx Museum - 8 Mona Terrace Douglas (Tech's Workshop), Douglas.

iMuseum, Kingswood Grove, Douglas.

iMuseum garden, Douglas.

5 Kingswood Grove, Douglas.

7 Kingswood Grove, Douglas.

9 Kingswood Grove, Douglas.

13 Kingswood Grove, Douglas.

15 Kingswood Grove, Douglas.

Odin's Raven Museum (now House of Manannan), Peel, German.

Land near Mill Road (now HoM overflow car park), Peel, German.

Grove Museum (in Trust) and land, Lezayre.

Land at Sulby Glen, Lezayre.

Laxey Wheel and adjoining lands, Lonan.

Land at Cronk e Chule, Laxey Wheel, Lonan.

Castle Rushen, Malew.

Rushen Abbey - Restaurant, Malew.

Rushen Abbey - Land & Ruins, Malew.

Unit 1, Large Object Store, Balthane, Malew.

Peel Castle, Patrick.

c 95 acres of land at Creggan Mooar, Patrick.

Niarbyl House - Café, Patrick.

Cummel Beg, Cregneash, Rushen.

Creg-y-Shee, Cregneash, Rushen.

Avoca, Cregneash, Rushen.

Church Farm, Cregneash, Rushen.

Greystones, Cregneash, Rushen.

Cooilbane, Cregneash, Rushen.

West View, Cregneash, Rushen.

Thie Vaddrell, Cregneash, Rushen.

Castruan, Cregneash, Rushen.

Sound Café and land at The Sound, Rushen.

Ivydene & Quirk's Croft, Cregneash, Rushen.

Additional information (unaudited)

The detailed government accounts for 2019-2020, given in the Light Blue Book, applicable to the Manx Museum and National Trust from the Government Revenue Accounts are available in the IOM Government website – link provided below:

<https://www.gov.im/categories/tax-vat-and-your-money/government-accounts/>