

PEEL TOWN COMMISSIONERS

Financial Statements

for the year ending 31 March 2005

**PEEL TOWN COMMISSIONERS
ABSTRACT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

1

INDEX

Page

1	Index
2	Accounting policies
3	Surplus and deficiency account
4	Statement of income and expenditure
5	Housing revenue account Housing maintenance reserve
6	Capital account
7	Housing reserve account Unappropriated capital receipts account
8	Sinking fund account Links development account
9	Walter Eric Brown Memorial fund Town Hall (Corrin Legacy) account
10	Balance Sheet
11 and 12	Notes to the accounts
13	Statement of Commissioners' responsibilities
14	Auditors' report

Accounting policies

1 Revenue accounts

The accounts are prepared on an accruals basis modified to the extent that certain payments, such as electricity, whose accounting period straddles the year end are not apportioned but accounted for when payment is made. With this exception all amounts payable and receivable as at 31 March 2005 have been accrued in the accounts.

2 Capital account

When capital payments are made out of borrowings, provision for the repayment of such borrowings is made by the transfer of amounts to a sinking fund, or by the repayment of principal on government loans from the General revenue account. The period of repayment varies in accordance with the nature of the expenditure and is specified in the borrowing authority

3 Housing reserve

An allowance for repairs of 33% of the net rents receivable is made in determining the annual deficiency grant from the government. When actual repairs are less than the allowance the underspending together with any surplus on the Housing revenue account is transferred to the Housing reserve.

This reserve can be used for exceptional repairs with the approval of the Department of Local Government and the Environment.

4 Balance Sheet

a. Debtors and creditors

Provision has been made for all material amounts receivable or payable in the revenue accounts including all special accounts.

b. Accounting convention

The balance sheet is prepared under the historical cost convention, subject to the revaluation of land and property.

c. Deferred charges

The figure for fixed assets includes an amount for property no longer owned by the Commissioners but for which the debt remains outstanding.

PEEL TOWN COMMISSIONERS
General Revenue Account

3

General revenue surplus & deficiency account
For the year ended 31 March 2005

	2005 £	2004 £
Balance brought forward at 1 April 2004	253,074	96,058
Surplus in year	26,073	157,016
Balance carried forward at 31 March 2005	<u>279,147</u>	<u>253,074</u>

PEEL TOWN COMMISSIONERS
Statement of income and expenditure
For the year ended 31 March 2005

4

	2005 £	2004 £
Expenditure		
Employee costs	455,830	411,782
Premises related expenses	226,989	86,443
Transport expenses	14,058	16,602
Supplies and services	25,685	23,444
Subscriptions	6,434	4,458
Miscellaneous expenses	489	750
Agency and contracted services	217,724	146,440
Central and technical support services	134,484	104,478
Capital financing costs	66,146	70,527
	<u>1,147,839</u>	<u>864,924</u>
Income		
Statutory administration allowances	27,940	27,508
Donations received	842	1,551
Sales	48,868	54,244
Fees and charges	37,237	26,737
Rents - commercial	63,904	68,164
Interest received	15,574	3,364
Rates received	523,365	512,147
Refuse collection charge	202,211	194,027
Commission on rates collected	2,520	1,988
Recharges	251,451	132,210
	<u>1,173,912</u>	<u>1,021,940</u>
Surplus in year	26,073	157,016

PEEL TOWN COMMISSIONERS
Housing revenue account
for the year ended 31 March 2005

5

	2005 £	2004 £
Income		
Rents received	558,809	532,108
Expenditure		
Maintenance allowance	184,021	183,024
Administration allowance	27,940	27,508
Financing costs	207,280	185,188
	<u>419,241</u>	<u>395,720</u>
Surplus in year	<u>139,568</u>	<u>136,388</u>
Transfer Housing reserve	139,568	136,388
Housing maintenance reserve for the year ended 31 March 2005		
Income		
Housing maintenance allowance	184,021	183,024
Expenditure		
Employee costs	89,197	126,542
Premises related expenses	116,735	95,984
	<u>205,932</u>	<u>222,526</u>
Deficit in year	(21,911)	(39,502)
Balance brought forward 31 March 2004	-	(14,304)
Transferred from housing reserve account	21,911	53,806
Balance carried forward 31 March 2005	<u>-</u>	<u>-</u>

PEEL TOWN COMMISSIONERS
Capital revenue account
for the year ended 31 March 2005

6

	2005 £	2004 £
Income		
Mortgage bonds issued	598,400	289,800
IOM Bank loan	1,335,000	-
Transfer from sinking fund	700,815	-
	<u>2,634,215</u>	<u>289,800</u>
Expenditure		
Mortgage bonds repaid	<u>(1,670,434)</u>	<u>(313,500)</u>
	963,781	(23,700)
Receipt on sale of garage	-	6,508
Interest received	1,864	-
Transfer of unappropriated capital receipts	-	52,301
Expenditure for capital schemes		
Mill Road Yard	20,759	16,534
Boilley Spittal Phase 2	875,475	81,036
Glenfaba	1,155	-
Replacement Windows	93,219	-
Town Hall Refurbishment	2,375	-
	<u>(992,983)</u>	<u>(97,570)</u>
Deficit in year	<u>(27,338)</u>	<u>(62,461)</u>
Balance brought forward at 1 April 2004	<u>(193,289)</u>	<u>(130,828)</u>
Balance carried forward at 31 March 2005	<u>(220,627)</u>	<u>(193,289)</u>

PEEL TOWN COMMISSIONERS
Housing reserve account
for the year ended 31 March 2005

7

	2005 £	2004 £
Expenditure		
Roxwell Terrace	4,970	-
Glenfaba Road	-	1,155
Castle Street Doors	8,978	5,812
North View Doors	17,816	-
Boilley Spittal phase 1	19,280	897
Boilley Spittal phase 2 transit	-	12,632
Transfer to Housing Maintenance Reserve	21,911	53,806
	<u>72,955</u>	<u>74,302</u>
Income		
Bank interest	6,356	4,281
Bond interest	700	711
Transfer from Housing Revenue Account in respect of surplus	139,568	136,388
	<u>146,624</u>	<u>141,380</u>
Surplus in year	73,669	67,078
Balance brought forward at 1 April 2004	394,005	326,927
Balance carried forward 31 March 2005	<u>467,674</u>	<u>394,005</u>

PEEL TOWN COMMISSIONERS
Unappropriated capital receipts account
for the year ended 31 March 2005

	2005 £	2004 £
Income		
Bank interest	-	1,943
Bond interest	-	-
Surplus in year	<u>-</u>	<u>1,943</u>
Balance brought forward at 1 April 2004	-	50,358
Transfer to Capital Revenue Account	-	(52,301)
Balance carried forward at 31 March 2005	<u>-</u>	<u>-</u>

PEEL TOWN COMMISSIONERS
Sinking fund account
for the year ended 31 March 2005

8

	2005 £	2004 £
Income		
Bank interest	12,805	8,642
Bond interest	-	-
Annual payments	<u>75,670</u>	<u>72,387</u>
	88,475	81,029
Balance brought forward at 1 April 2004	612,340	531,311
Transfer to repay bonds	(700,815)	-
Balance carried forward at 31 March 2005	<u><u>-</u></u>	<u><u>612,340</u></u>

Links development account
for the year ended 31 March 2005

	2005 £	2004 £
Income		
Bank interest	-	-
Surplus in year	<u>-</u>	<u>-</u>
Balance brought forward at 1 April 2004	2,067	2,067
Balance carried forward at 31 March 2005	<u><u>2,067</u></u>	<u><u>2,067</u></u>

PEEL TOWN COMMISSIONERS
Walter Eric Brown Memorial Fund
for the year ended 31 March 2005

9

	2005 £	2004 £
Income		
Bond interest	-	1
Bank interest	4	4
Surplus in year	<u>4</u>	<u>5</u>
Balance brought forward at 1 April 2004	522	517
Balance carried forward at 31 March 2005	<u><u>526</u></u>	<u><u>522</u></u>

PEEL TOWN COMMISSIONERS
Town Hall (Corrin Legacy) account
for the year ended 31 March 2005

	2005 £	2004 £
Income		
War loan interest	-	2
Bank interest	3	1
Surplus in year	<u>3</u>	<u>3</u>
Balance brought forward at 1 April 2004	451	448
Balance carried forward at 31 March 2005	<u><u>454</u></u>	<u><u>451</u></u>

PEEL TOWN COMMISSIONERS
Balance Sheet
as at 31 March 2005


10

	Note	2005 £	2004 £
Fixed assets	2	21,650,971	20,606,944
VAT account		58,001	10,732
Debtors	4	116,979	45,148
Bank balances		941,768	1,416,014
Investments	3	18,740	18,740
Housing rent arrears		12,977	12,127
Capital advances utilities		11,771	11,771
		<u>1,160,236</u>	<u>1,514,532</u>
Current liabilities			
Creditors		84,821	27,367
Mortgage bonds outstanding	1	2,095,360	3,167,394
Housing rents pre-paid		10,641	10,980
Drainage Loan Stage 3		114,870	144,000
Boilley Spittal Loan		1,335,000	-
Housing Loan		203,226	203,226
Accruals		128,758	86,541
		<u>3,972,676</u>	<u>3,639,508</u>
Net current liabilities		(2,812,440)	(2,124,976)
Net assets		<u>18,838,531</u>	<u>18,481,968</u>
Financed by			
Accumulated surpluses	5	543,120	470,705
Capital discharged	6	2,728,370	1,829,282
Revaluation of property reserve		15,547,108	15,547,108
Provision for the redemption of debt		-	612,340
Government loan outstanding		19,933	22,533
		<u>18,838,531</u>	<u>18,481,968</u>

Notes on pages 11 and 12 form part of these accounts

Auditors' report page 14


 Town Clerk


 Chair

PEEL TOWN COMMISSIONERS
Notes to the accounts
for the year ended 31 March 2005

11

Note	2005 £	2004 £
1 Mortgage bonds		
Outstanding at 1 April 2004	3,167,394	3,191,094
Bonds issued during the year	598,400	289,800
	<u>3,765,794</u>	<u>3,480,894</u>
Bonds repaid during the year	(1,670,434)	(313,500)
Outstanding at 31 March 2005	<u>2,095,360</u>	<u>3,167,394</u>
2 Fixed assets		
Property	21,542,212	20,498,185
Plant and stock	92,980	92,980
Deferred charges	15,779	15,779
	<u>21,650,971</u>	<u>20,606,944</u>
The property was revalued by Chrystals Commercial Chartered Surveyors in December 1999 in accordance with RICS guidelines on valuation of local authority assets.		
3 Investments		
General revenue account	3,500	3,500
Housing reserve	15,000	15,000
Eric Brown Memorial Fund	100	100
Town Hall (Corrin Legacy) Fund	140	140
	<u>18,740</u>	<u>18,740</u>

PEEL TOWN COMMISSIONERS
Notes to the accounts
for the year ended 31 March 2005

12

Note		2005 £	2004 £
4	Debtors		
	Rates debtors	15,701	7,574
	Trade debtors	61,176	37,574
	Prepayments	37,719	-
	Sundry debtors	2,383	-
		<u>116,979</u>	<u>45,148</u>
5	Accumulated surpluses		
	Accumulated revenue surplus	279,147	253,074
	Capital reserve	(220,627)	(193,289)
	Housing reserve	467,674	394,005
	Leece Museum account	13,871	13,871
	Links development	2,075	2,071
	WE Brown Memorial Fund	526	522
	Town Hall (Corrin Legacy) Fund	454	451
		<u>543,120</u>	<u>470,705</u>
6	Capital discharged		
	Debt redeemed in advance of maturity	-	115,244
	Revenue contribution to capital	54,694	54,694
	Government grants applied	60,448	60,448
	Housing reserve applied	906,433	855,389
	Balance of capital	<u>1,706,795</u>	<u>743,507</u>
		<u>2,728,370</u>	<u>1,829,282</u>

Statement of Commissioners' responsibilities

The Commissioners are required to prepare financial statements for each financial year, which are prepared in accordance with the Audit Act 1983 and all other enactments applicable to the financial statements. In preparing those financial statements, the Commissioners are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in business.

The Commissioners are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority and to enable them to ensure that the financial statements comply with the Accounts and Audit Regulations 1984 made under the Audit Act 1983. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Authority and to prevent and detect fraud and other irregularities.

Report of the Independent Auditors, KPMG Audit LLC, to the Commissioners of Peel Town

We have audited the financial statements of Peel Town Commissioners for the year ended 31 March 2005 which comprise the General revenue account, Capital account, Related accounts and Reserve accounts, Statement of assets and liabilities and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Commissioners as a body. Our audit work has been undertaken so that we might state to them 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 Commissioners as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Commissioners and Auditors

As described in the Statement of Commissioners' Responsibilities on page 13 the Commissioners are responsible for the preparation of the financial statements in accordance with applicable Isle of Man law.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements are properly prepared in accordance with the Accounts and Audit Regulations 1984, made under the Audit Act 1983 and comply with all other enactments applicable to the accounts. We also report to you if, in our opinion, the Authority has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read any other information accompanying the financial statements and consider the implications for our report if we become aware of any apparent misstatements or inconsistencies within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the UK Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Commissioners in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements for the year ended 31 March 2005 have been prepared in accordance with the regulations made under the Audit Act 1983 and comply with all other enactments applicable to the financial statements and proper accounting practices have been observed in their compilation.

KPMG Audit LLC
Chartered Accountants

10 October 2005