

PEEL TOWN COMMISSIONERS

Financial Statements

for the year ending 31 March 2006

**PEEL TOWN COMMISSIONERS
ABSTRACT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006**

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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, which is not expected to have a material effect on the accounts, all amounts payable and receivable as at 31 March 2006 have been accrued in the accounts.

2 Capital account

When capital payments are made out of borrowings, provision for the repayment of such borrowings was 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.

The authority, in common with other authorities, is in the process of changing the form of borrowing from bond borrowing to Isle of Man Bank loans.

3 Housing reserve

An allowance for repairs of 33.33% 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 account.

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
For the year ended 31 March 2006

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	2006 £	2005 £
Income		
Rates receivable	670,148	523,365
Refuse collection charge	167,065	202,211
Recharges	124,949	251,451
Sales	76,994	48,868
Rents - commercial	66,164	63,904
Fees and charges	36,623	37,237
Statutory administration allowances	31,106	27,940
Interest received	30,786	15,574
Commission on rates collected	-	2,520
Donations received	-	842
	<u>1,203,835</u>	<u>1,173,912</u>
Expenditure		
Employee costs	419,804	455,830
Premises related expenses	265,172	226,989
Agency and contracted services	221,199	217,724
Central and technical support services	195,428	134,484
Capital financing costs	30,216	66,146
Transport expenses	14,802	14,058
Miscellaneous expenses	275	489
Supplies and services	-	25,685
Subscriptions	-	6,434
	<u>1,146,896</u>	<u>1,147,839</u>
Surplus in year	56,939	26,073
Balance brought forward at 1 April 2005	279,147	253074
Balance carried forward at 31 March 2006	<u>336,086</u>	<u>279,147</u>

Notes on pages 11 and 12 form part of these accounts

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PEEL TOWN COMMISSIONERS
Housing revenue account
for the year ended 31 March 2006

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	2006 £	2005 £
Income		
Rents received	605,047	558,809
Expenditure		
Maintenance allowance	207,357	184,021
Administration allowance	31,106	27,940
Financing costs	204,018	207,280
	<u>442,481</u>	<u>419,241</u>
Surplus in year	<u>162,566</u>	<u>139,568</u>
Transfer to Housing Reserve Account	(162,566)	(139,568)
Balance carried forward	<u><u>-</u></u>	<u><u>-</u></u>

Housing maintenance reserve
for the year ended 31 March 2006

	2006 £	2005 £
Income		
Housing Maintenance allowance	207,357	184,021
Expenditure		
Employee costs	89,029	89,197
Premises related expenses	129,492	116,735
	<u>218,521</u>	<u>205,932</u>
Deficit in year	<u>(11,164)</u>	<u>(21,911)</u>
Transferred from housing reserve account	11,164	21,911
Balance carried forward	<u><u>-</u></u>	<u><u>-</u></u>

PEEL TOWN COMMISSIONERS
Housing reserve account
for the year ended 31 March 2006

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	2006 £	2005 £
Income		
Bank interest	-	6,356
Bond interest	-	700
Transfer from Housing Revenue Account in respect of surplus	162,566	139,568
	<u>162,566</u>	<u>146,624</u>
Expenditure		
Roxwell Terrace	-	4,970
Glenfaba Road	5,022	-
Castle Street Doors	-	8,978
North View Doors	-	17,816
Boilley Spittal phase 1	14,203	19,280
Transfer to Housing Maintenance Reserve	11,164	21,911
	<u>30,389</u>	<u>72,955</u>
Surplus in year	<u>132,177</u>	<u>73,669</u>
Balance brought forward	467,674	394,005
Balance carried forward	<u><u>599,851</u></u>	<u><u>467,674</u></u>

PEEL TOWN COMMISSIONERS
Capital account
for the year ended 31 March 2006

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	2006 £	2005 £
Income		
Mortgage bonds issued	-	598,400
IOM Bank Loans	2,215,031	1,335,000
Transfer from Sinking Fund Account	-	700,815
Interest received	-	1,864
	<u>2,215,031</u>	<u>2,636,079</u>
Expenditure		
Mortgage bonds repaid	(1,596,932)	(1,670,434)
	<u>618,099</u>	<u>965,645</u>
Borrowings for capital schemes		
North View Doors	74	-
Mill Road Yard	4,225	20,759
Boilley Spittal Phase 2	502,653	875,475
Glenfaba	-	1,155
Replacement Windows	-	93,219
Town Hall Refurbishment	-	2,375
Kerroo Coar	164,600	-
	<u>(671,552)</u>	<u>(992,983)</u>
Deficit in year	<u>(53,453)</u>	<u>(25,474)</u>
Balance brought forward	(218,763)	(193,289)
Balance carried forward	<u><u>(272,216)</u></u>	<u><u>(218,763)</u></u>

PEEL TOWN COMMISSIONERS
Sinking fund account
for the year ended 31 March 2006

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	2006 £	2005 £
Income		
Bank interest	-	12,805
Annual payments	-	75,670
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	-	88,475
Balance brought forward	-	612,340
Transferred to repay bond	-	(700,815)
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
Balance carried forward	<u>-</u>	<u>-</u>

PEEL TOWN COMMISSIONERS
Links development account
for the year ended 31 March 2006

	2006 £	2005 £
Income		
Bank interest	-	-
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
Surplus in year	-	-
Balance brought forward	2,075	2,075
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
Balance carried forward	<u>2,075</u>	<u>2,075</u>

PEEL TOWN COMMISSIONERS
Walter Eric Brown Memorial Fund
for the year ended 31 March 2006

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	2006 £	2005 £
Income		
Bank interest	4	4
Surplus in year	<u>4</u>	<u>4</u>
Balance brought forward	526	522
Balance carried forward	<u><u>530</u></u>	<u><u>526</u></u>

PEEL TOWN COMMISSIONERS
Town Hall (Corrin Legacy) account
for the year ended 31 March 2006

	2006 £	2005 £
Income		
Bank interest	3	3
Surplus in year	<u>3</u>	<u>3</u>
Balance brought forward	454	451
Balance carried forward	<u><u>457</u></u>	<u><u>454</u></u>

Notes on pages 11 and 12 form part of these accounts

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PEEL TOWN COMMISSIONERS
Statement of assets and liabilities
as at 31 March 2006

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	Note	2006 £	2005 £
Fixed assets	2	22,341,748	21,650,971
VAT account		16,899	58,001
Debtors	3	173,726	116,979
Bank balances		1,491,054	941,768
Investments	4	-	18,740
Housing rent arrears		9,785	12,977
Capital advances utilities		11,771	11,771
		<u>1,703,235</u>	<u>1,160,236</u>
Current liabilities			
Creditors		64,425	84,821
Mortgage bonds outstanding	1	498,428	2,095,360
Housing rents pre-paid		13,637	10,641
Bank Loans		487,241	-
Drainage Loan Stage 3		102,659	114,870
Boilley Spittal Loan		-	1,335,000
Housing Loan		3,739,502	203,226
Accruals		94,816	128,758
		<u>5,000,708</u>	<u>3,972,676</u>
Net current liabilities		(3,297,473)	(2,812,440)
Net assets		<u>19,044,275</u>	<u>18,838,531</u>
Financed by			
Accumulated surpluses	5	678,783	543,120
Capital discharged	6	2,801,049	2,728,370
Revaluation reserve		15,547,108	15,547,108
Government loan outstanding		17,335	19,933
		<u>19,044,275</u>	<u>18,838,531</u>

Notes on pages 11 and 12 form part of these accounts

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Town Clerk

12th September 2007
Date


Chair

PEEL TOWN COMMISSIONERS
Notes to the accounts
for the year ended 31 March 2006

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Note	2006 £	2005 £
1 Mortgage bonds		
Balance brought forward	2,095,360	3,167,394
Bonds issued during the year	-	598,400
	<u>2,095,360</u>	<u>3,765,794</u>
Bonds repaid during the year	(1,596,932)	(1,670,434)
	<u>498,428</u>	<u>2,095,360</u>
2 Fixed assets		
Property	22,232,989	21,542,212
Plant and stock	92,980	92,980
Deferred charges	15,779	15,779
	<u>22,341,748</u>	<u>21,650,971</u>

The property was revalued by Chrystals Commercial Chartered Surveyors in December 1999 in accordance with RICS guidelines on valuation of local authority assets. Any additions since that date have been included at historical cost.

PEEL TOWN COMMISSIONERS
Notes to the accounts
for the year ended 31 March 2006

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Note	2006 £	2005 £
3 Debtors		
Rates arears	92,104	15,701
Trade debtors	31,842	61,176
Prepayments	42,120	37,719
Sundry debtors	7,661	2,383
	<u>173,727</u>	<u>116,979</u>
4 Investments		
General revenue account	-	3,500
Un-appropriated Capital receipts account	-	15,000
Eric Brown Memorial Fund	-	100
Town Hall (Corrin Legacy) Fund	-	140
	<u>-</u>	<u>18,740</u>
5 Accumulated surpluses		
General revenue account (page 3)	336,086	279,147
Capital reserve (page 6)	(274,080)	(220,627)
Housing reserve (page 5)	599,851	467,674
Leece Museum account	13,871	13,871
Links development (page 7)	2,075	2,075
WE Brown Memorial Fund (page 8)	526	526
Town Hall (Corrin Legacy) Fund (page 8)	454	454
	<u>678,783</u>	<u>543,120</u>
6 Capital discharged		
Revenue contribution to capital	54,694	54,694
Government grants applied	60,448	60,448
Housing reserve applied	925,658	906,433
Balance of capital	1,760,249	1,706,795
	<u>2,801,049</u>	<u>2,728,370</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.

Independent Auditors' Report to the Commissioners of Peel Town Commissioners

We have audited the financial statements of Peel Town Commissioners for the year ended 31 March 2006 which are set out pages 2 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the commissioners, as a body, in accordance with Section 4 of the Audit Act 1983. Our audit work has been undertaken so that we might state to the commissioners 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 information and explanations we require for our audit.

Respective responsibilities of commissioners and auditors

The commissioners' responsibilities for preparing the financial statements in accordance with applicable Isle of Man law are set out in the Statement of commissioners' responsibilities.

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

We report to you our opinion as to whether the financial statements are prepared in accordance with the Accounts and Audit Regulations 1984, made under the Audit Act 1983. In addition we report to you if, in our opinion, the commissioners have not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

Basis of audit opinion

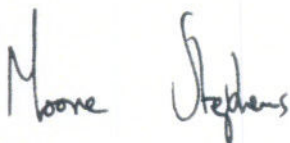
We conducted our audit in accordance with International Standards on Auditing (United Kingdom & Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the commissioners in the preparation of the financial statements, and of whether the accounting policies are appropriate to the commissioners' 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 2006 have been 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.



MOORE STEPHENS
Douglas
Isle of Man

18 September 2007