

PEEL TOWN COMMISSIONERS

Financial Statements

for the year ending 31 March 2007

**PEEL TOWN COMMISSIONERS
ABSTRACT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2007**

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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 affect on the accounts, all amounts payable and receivable as at 31 March 2007 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.

In recent years the authority has replaced sinking fund finance with IOM Bank Loan finance to fund long term capital projects. Each of these loans is repayable between 15 and 30 years and are fixed rate loans. The interest charged on these loans varies between 4.65 and 5.54%.

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 Statement of assets and liabilities

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 2007

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	2007 £	2006 £
Income		
Rates receivable	607,843	670,148
Recharges	334,398	124,949
Refuse collection charge	179,992	167,065
Sales	75,521	76,994
Rents - commercial	71,376	66,164
Fees and charges	53,834	36,623
Statutory administration allowances	32,678	31,106
Interest received	18,153	30,786
	<u>1,373,795</u>	<u>1,203,835</u>
Expenditure		
Employee costs	469,286	419,804
Premises related expenses	257,156	242,609
Agency and contracted services	241,219	221,199
Recharge costs	236,628	22,563
Central and technical support services	148,770	195,428
Capital financing costs	32,404	30,216
Transport expenses	20,765	14,802
Write off capital utilities	11,771	-
Miscellaneous expenses	-	275
	<u>1,417,999</u>	<u>1,146,896</u>
(Deficit) / surplus in year	(44,204)	56,939
Balance brought forward	336,086	279,147
Balance carried forward	<u>291,882</u>	<u>336,086</u>

Notes on pages 9 and 10 form part of these accounts

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PEEL TOWN COMMISSIONERS
Housing revenue account
for the year ended 31 March 2007

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	2007	2006
	£	£
Income		
Rents received	683,426	605,047
Expenditure		
Maintenance allowance	217,637	207,357
Administration allowance	32,678	31,106
Legal and professional	39,127	-
Financing costs	204,237	204,018
	<u>493,679</u>	<u>442,481</u>
Surplus in year	<u>189,747</u>	<u>162,566</u>
Transfer to Housing Reserve	(189,747)	(162,566)
Balance carried forward	<u><u>-</u></u>	<u><u>-</u></u>
Housing Maintenance Reserve for the year ended 31 March 2007		
Income		
Housing Maintenance allowance	217,637	207,357
Expenditure		
Employee costs	78,345	89,029
Premises related expenses	91,127	129,492
	<u>169,472</u>	<u>218,521</u>
Surplus/(deficit) in year	48,165	(11,164)
Balance brought forward	-	-
Transferred (from)/to housing reserve account	<u>(48,165)</u>	<u>11,164</u>
Balance carried forward	<u><u>-</u></u>	<u><u>-</u></u>

PEEL TOWN COMMISSIONERS
Housing reserve account
for the year ended 31 March 2007

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	2007 £	2006 £
Income		
Transfer from/(to) Housing Maintenance	48,165	(11,164)
Transfer from Housing Revenue Account in respect of surplus	<u>189,747</u>	<u>162,566</u>
	237,912	151,402
Expenditure		
Glenfaba Road	-	5,022
Boilley Spittal phase 1	<u>-</u>	<u>14,203</u>
	-	19,225
Surplus in year	237,912	132,177
Balance brought forward	<u>599,851</u>	<u>467,674</u>
Balance carried forward	<u><u>837,763</u></u>	<u><u>599,851</u></u>

PEEL TOWN COMMISSIONERS
Capital account
for the year ended 31 March 2007

	2007	2006
	£	£
Income		
IOM Bank Loans	961,963	2,215,031
Expenditure		
Mortgage bonds repaid	<u>(498,428)</u>	<u>(1,596,932)</u>
	463,535	618,099
 Borrowings for capital schemes		
Central heating various properties	317,670	-
Reayrt Aalin painting scheme	700	-
Central heating Roxwell Terrace	26,565	-
North View doors	604	74
Windows and doors Market Street	4,333	-
Mill Road Yard	-	4,225
Boilley Spittal Phase 2	26,862	502,653
Public housing central heating	12,950	-
Elderly Persons Housing Ballawattleworth	13,000	-
Kerroo Coar	-	164,600
	<u>402,684</u>	<u>671,552</u>
 Surplus / (deficit) in year	<u>60,851</u>	<u>(53,453)</u>
Balance brought forward	<u>(274,080)</u>	<u>(220,627)</u>
Balance carried forward	<u><u>(213,229)</u></u>	<u><u>(274,080)</u></u>

Notes on pages 9 and 10 form part of these accounts

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**Links development account
for the year ended 31 March 2007**

	2007 £	2006 £
Balance brought forward and carried forward	<u>2,075</u>	<u>2,075</u>

**Walter Eric Brown Memorial Fund
for the year ended 31 March 2007**

	2007 £	2006 £
Income		
Bank interest	<u>4</u>	<u>4</u>
Surplus in year	4	4
Balance brought forward	<u>530</u>	<u>526</u>
Balance carried forward	<u>534</u>	<u>530</u>

**Town Hall (Corrin Legacy) account
for the year ended 31 March 2007**

	2007 £	2006 £
Income		
Bank interest	<u>-</u>	<u>3</u>
Surplus in year	-	3
Balance brought forward	<u>457</u>	<u>454</u>
Balance carried forward	<u>457</u>	<u>457</u>

Notes on pages 9 and 10 form part of these accounts

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PEEL TOWN COMMISSIONERS
Statement of assets and liabilities
as at 31 March 2007

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	Note	2007 £	2006 £
Fixed assets	2	22,791,564	22,341,748
VAT account		10,130	16,899
Debtors	3	137,074	173,726
Bank balances		1,099,992	1,491,054
Housing rent arrears		9,808	9,785
Capital advances utilities		-	11,771
		<u>1,257,004</u>	<u>1,703,235</u>
Current liabilities			
Creditors		75,817	64,425
Mortgage bonds outstanding	1	-	498,428
Housing rents pre-paid		14,761	13,637
Bank Loans	6	462,383	487,241
Drainage Loan Stage 3		89,855	102,659
Housing Loan		4,094,813	3,739,502
Accruals		34,759	94,816
		<u>4,772,388</u>	<u>5,000,708</u>
Net current liabilities		(3,515,384)	(3,297,473)
Net assets		<u>19,276,180</u>	<u>19,044,275</u>
Financed by			
Accumulated surpluses	4	933,342	678,783
Capital discharged	5	2,795,730	2,801,049
Revaluation of property reserve		15,547,108	15,547,108
Government loan outstanding		-	17,335
		<u>19,276,180</u>	<u>19,044,275</u>

Notes on pages 9 and 10 form part of these accounts

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 Town Clerk
 26th February 2008
 Date


 Chairman

PEEL TOWN COMMISSIONERS
Notes to the accounts
for the year ended 31 March 2007

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Note	2007 £	2006 £
1 Mortgage bonds		
Balance brought forward	498,428	2,095,360
Bonds repaid during the year	<u>(498,428)</u>	<u>(1,596,932)</u>
Balance carried forward	<u><u>-</u></u>	<u><u>498,428</u></u>
2 Fixed assets		
Property	22,644,608	22,232,989
Plant and stock	131,177	92,980
Deferred charges	15,779	15,779
	<u><u>22,791,564</u></u>	<u><u>22,341,748</u></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 2007

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Note	2007 £	2006 £
3 Debtors		
Rates arrears	82,002	92,104
Trade debtors	39,325	31,842
Prepayments	7,700	42,120
Sundry debtors	8,047	7,660
	<u>137,074</u>	<u>173,726</u>
4 Accumulated surpluses		
Accumulated general revenue surplus (page 3)	291,882	336,086
Capital reserve (page 6)	(213,229)	(274,080)
Housing reserve (page 5)	837,763	599,851
Leece Museum account	13,871	13,871
Links development (page 7)	2,075	2,075
W E Brown Memorial Fund (page 7)	526	526
Town Hall (Corrin Legacy) Fund (page 7)	454	454
	<u>933,342</u>	<u>678,783</u>
5 Capital discharged		
Revenue contribution to capital	92,891	54,694
Government grants applied	60,448	60,448
Housing reserve applied	942,993	925,658
Balance of capital	1,699,398	1,760,249
	<u>2,795,730</u>	<u>2,801,049</u>
6 Bank loans		

In recent years the authority has replaced sinking fund finance with IOM Bank Loan finance to fund long term capital projects. Each of these loans is repayable between 15 and 30 years and are fixed rate loans. The interest charged on these loans varies between 4.65 and 5.54%.

Peel Town Commissioners

Year ended 31 March 2007

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 Peel Town Commissioners ("the commissioners")

We have audited the financial statements of Peel Town Commissioners for the year ended 31 March 2007 set out on pages 2 to 11. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 2.

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 report, or for the opinions we have formed.

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 (UK & 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 opinion

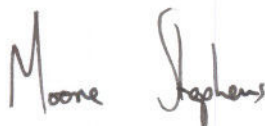
We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant 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 2007 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
Chartered Accountants
Douglas
Isle of Man

3 March 2008